RUSSIA'S TRANSITION TO DEMOCRACY AND U.S.-RUSSIA RELATIONS: UNFINISHED BUSINESS

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RUSSIA'S TRANSITION TO DEMOCRACY AND U.S.-RUSSIA RELATIONS: UNFINISHED BUSINESS

TUESDAY, SEPTEMBER 30, 2003

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 3:36 p.m. in Room 2172, Rayburn House Office Building, Hon. Doug Bereuter [Chairman of the Subcommittee] presiding.

Mr. BEREUTER. The Subcommittee will come to order. Just 5 days ago, Presidents Bush and Putin met at Camp David to review the status of United States-Russia relations.

Our hearing today is also intended to look at the current United States-Russia relationship. However, the hearing is also designed to review the current political environmental in Russia and to assess the status of Russia's transition to democracy.

In a July 2001 Brookings Institution Policy Brief, Tom Bjorkman wrote that,

> "President Putin has spoken repeatedly about his commitment to democracy as the only way forward for Russia."

But Bjorkman went on to observe that,

> "There is also a serious threat of a more resolute authoritarianism in the course that Putin has set."

In a *Los Angeles Times* editorial just last week, Dr. McFaul, one of our witnesses, suggested that, "there were clear signs that Russia is backing away from democracy." The article pointed out that Putin's government has seized control of Russia's last independent national television networks, silenced or changed editorial teams at several newspapers, continued to harass human rights activists, has created state-sponsored civil society organizations and has launched criminal investigations against corporation executives who have opposed him or who have contributed to opposition political parties.

This was the case recently pursued against the Yukos oil company. Recently at President Putin's insistence, the Kremlin, in advance of the upcoming Duma and Presidential elections, introduced an election law which has been characterized as a draconian effort to threaten the media if they are critical of political candidates.

Dr. McFaul's article also pointed out that recently the Putin government expelled the Peace Corps, closed down the Chechan office

of the OSCE and declared the AFL–CIO's representative in Moscow "persona non grata."

If we were not holding this hearing on Russia, one might wonder if we were describing events taking place in North Korea or Belarus.

It was clear from the start that building a viable democracy with strong democratic institutions in Russia would not be easy, nor could it be accomplished in a relatively brief time. But as Bjorkman observed in his article, after 10 years

> ". . . power remains concentrated in the Executive Branch. Legislative and judicial institutions remain fragile. Official corruption remains pervasive and protection for civil liberties are weak."

These examples should raise serious questions regarding President Putin's long-term commitment to advancing the objectives of building a viable democracy in Russia.

With respect to United States-Russia relations, last year Dr. McFaul told this Subcommittee that,

> "The potential to build a new foundation for Russian-American relations is great . . ."

and that,

> "Russia has the potential to become a strategic partner of the United States. Not since World War II have Russian and American foreign policy interests been in closer alignment."

It is true that Putin's early embrace of the war on global terrorism, after the tragedy of September 11, ushered in a new dimension in United States-Russian strategic relations. However, Russia's lack of continued cooperation on some aspects of WMD reduction, on Iran, on arms sales to questionable nations, and its opposition to United States efforts in Iraq, could give challenge to Dr. McFaul's comments at that earlier time.

Given the internal situation which appears to exist inside Russia today and given what appears to be differences in our policies toward the international community, it would perhaps be appropriate to ask first: What exactly are our national interests with regard to Russia and second, what principles should underlie our policy with respect to Russian-American relations?

I look forward to the testimony of our very distinguished witnesses, but first I would like to turn to distinguished Ranking Minority Member, the gentleman from Florida, Mr. Wexler, for any comments that he has at this point.

[The prepared statement of Mr. Bereuter follows:]

PREPARED STATEMENT OF THE HONORABLE DOUG BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

Just five days ago, Presidents Bush and Putin met at Camp David to review the status of U.S.-Russia relations.

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a serious threat of a more resolute authoritarianism in the course that Putin has set."

In a Los Angeles Times editorial just last week, Dr. McFaul suggested that "there were clear signs that Russia is backing away from democracy." The article pointed out that Putin's government has seized control of Russia's last independent national television networks; silenced or changed editorial teams at several newspapers; continues to harass human rights activists; has created state-sponsored civil society organizations, and has launched criminal investigations against corporation executives who have opposed him or who have contributed to opposition political parties. This was the case recently pursued against the Yukos oil company. Recently, at President Putin's insistence, the Kremlin, in advance of the upcoming Duma and Presidential elections, introduced an election law which has been characterized as a draconian effort to threaten the media if they are critical of political candidates.

McFaul's article also pointed out that recently, the Putin Government expelled the Peace Corps, closed down the Chechan office of the OSCE and declared the AFL–CIO's representative in Moscow "persona non grata".

If we were not holding this hearing on Russia, one might wonder if we were describing events taking place in North Korea or Belarus.

It was clear from the start that building a viable democracy with strong democratic institutions in Russia would not be easy nor could it be accomplished in a relatively brief time. But as Bjorkman observed in his article, after 10 years "power remains concentrated in the executive branch. Legislative and judicial institutions remain fragile. Official corruption remains pervasive. And, protections for civil liberties are weak."

These examples should raise serious questions regarding President Putin's long-term commitment to advancing the objective of building a viable democracy in Russia.

With respect to U.S.-Russia relations, last year, Dr. McFaul told this Subcommittee that "the potential to build a new foundation for Russian-American relations is great". . . and that "Russia has the potential to become a strategic partner of the United States. Not since World War II have Russian and American foreign policy interests been in closer alignment.

It is true that Putin's early embrace of the war on global terrorism, after the tragedy of September 11, ushered in a new dimension in U.S.-Russian strategic relations. However, Russia's lack of continued cooperation on some aspects of WMD reductions, on Iran, on arms sales to questionable nations, and its opposition to U.S. efforts in Iraq, could give challenge to Dr. McFaul's comments.

Given the internal situation which appears to exist inside Russia today and given what appears to be differences in our policies towards the international community, it would be appropriate to ask, first, what exactly are our national interests with regards to Russia and, second, what principles should underlie our policy with respect to Russian-American relations.

I look forward to the testimony of our witnesses.

Mr. WEXLER. Thank you, Mr. Chairman. First I want to thank you, Chairman Bereuter for holding today's hearing on Russia's Transition to Democracy and United States-Russian Relations. This hearing comes, as you have already said, at a critical juncture in American-Russo relations and in Russia's efforts to democratize.

Over the past year, differences over United States military action in Iraq as well as Russia's reluctance to cut off nuclear assistance to Iran have strained this relationship. Despite the initial Bush-Putin detente, I strongly believe that both nations must establish a new framework of constructive dialogue and cooperation in order to ensure that we are not working at cross purposes. As President Bush stated during a joint press conference on September 27 with Russian President Putin,

> "Old suspicions are giving way to new understanding and respect. Our goal is to bring the United States-Russian relationship to a new level of partnership."

One of the issues we are focusing on today is Russia's transition to democracy. The success of Russia's democratic transformation will largely determine and shape the present and future possibili-

ties of cooperation and engagement. It is critical that Congress continue to support these efforts, including aid to assist Russia under the Freedom Support Act. To date, it is important to note that Congress and successive Administrations have played a significant role in Russia's democratization efforts by allocating $11.6 billion in assistance to Russia, funding programs in four key areas: Security programs, humanitarian assistance, economic and democratic reform.

While Russia has made progress since the collapse of the Soviet Union in the economic, political and to some degree the human rights spheres, its forward momentum has been retarded by Putin's politically charged investigations, suppression of the free press, a disastrous policy in Chechnya where according to the State Department's 2002 *Report on Human Rights Practices*, "federal security forces demonstrated little respect for basic human rights." While I sympathize with Russian leaders concerning the threat posed by Chechan terrorists and agree that terrorism must be uprooted and destroyed, it is essential that the flagrant human rights abuses occurring in Chechnya not be ignored by the Bush Administration.

Mr. Chairman, it is incredibly important that we pursue a robust policy of engagement with Moscow despite recent setbacks and differences over Iraq. It was obvious during the Bush-Putin summit this past weekend that the United States and Russia have many issues of mutual concern that must be addressed in concert by both nations, including the converging threat of international terrorism and proliferation of weapons of mass destruction, as well as bringing stability to post-war Iraq. Neither nation can afford to ignore each other's concerns or allow insecurities and past history to dictate current relations, especially as the threat of nuclear proliferation in North Korea and Iran grows. Russia, which has failed to date to join the United States in unequivocally calling for North Korea and Iran to "completely, verifiably and irreversibly end its nuclear programs," is endangering its own security and undermining Russia's effort to grow closer to the West.

I am particularly concerned about Russian foreign policy objectives in the Middle East, particularly in Iran. While Russia plays a constructive role as a member of the Middle East quartet and has signaled a tacit acceptance of American plans for reconstruction in Iraq, Moscow's continued policy of assisting Iran's nuclear program directly threatens America's national security. While I am encouraged by President Putin's decision to endorse the International Atomic Energy Agency's investigation of Iran's nuclear program, it is apparent that Moscow is unwilling to end its assistance to Tehran. The Bush Administration must place greater pressure on President Putin to halt Russian nuclear assistance to Iran and to support international efforts, including that of the IAEA to fully expose the nuclear ambitions of Iran and to impose diplomatic or economic sanctions if necessary.

Mr. Chairman, the pretty picture painted by the media of President Bush and President Putin at their most recent summit cannot hide real tensions and differences that exist between Washington and Moscow. The illusion of the Bush-Putin relationship cannot cover up for a United States-Russian policy that has de-emphasized human rights and ignored Russia's democratic backsliding in re-

turn for mutual support in the war against terror. President Bush's silence on these issues is deafening and gives a green light to those individuals in the Kremlin who wish to move Russia along an authoritarian path. Over the next several months, United States-Russian relations will be severely tested as efforts to stabilize and democratize Iraq move forward, counter-terrorism efforts continue and international efforts to address the nuclear ambitions of North Korea and Iran come to a head. The convergence of these issues which greatly affect the security in the United States and Russia, must be met with a unified response by both nations.

Mr. Chairman, thank you again for calling this hearing, and I look forward very much to hearing the witnesses.

[The prepared statement of Mr. Wexler follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT WEXLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

I want to thank Chairman Bereuter for holding today's hearing on Russia's transition to democracy and U.S.-Russian relations. This hearing comes at a critical juncture in American-Russo relations and in Russia's efforts to democratize.

Over the past year, differences over U.S. military action in Iraq as well as Russia's reluctance to cut off nuclear assistance to Iran have strained this relationship. Despite the initial Bush-Putin detente, I strongly believe that both nations must establish a new framework of constructive dialogue and cooperation in order to ensure that we are not working at cross purposes. As President Bush stated during a joint press conference on September 27 with Russian President Putin, "Old suspicions are giving way to new understanding and respect. Our goal is to bring the U.S.-Russian relationship to a new level of partnership."

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on Putin to halt Russian nuclear assistance to Iran and to support international efforts, including that of the IAEA to fully expose the nuclear ambitions of Iran and to impose diplomatic or economic sanctions if necessary.

Central Asia remains one of the greatest possibilities for U.S.-Russian engagement. U.S. policy in the region should focus on constructive cooperation in a region where Russian influence is felt from Baku to Astana. It is in this region where U.S.-Russian interest converges in combating Islamic extremism and bringing democracy and freedom to these newly independent states. Russia, like the United States, has been a victim of terrorism, and its concerns about Central Asian links to Chechen terrorism, including Al Qaeda, on its soil is valid. I strongly support the efforts of the U.S.-Russia Working Group on Counter-terrorism, which has been working to bridge the problems that exist between Washington and Moscow, as we seek to develop a joint counter-terrorism strategy.

Mr. Chairman, the pretty picture painted by the media of President Bush and President Putin at their most recent summit cannot hide real tensions and differences that exist between Washington and Moscow. The illusion of the Bush-Putin relationship cannot cover up for a U.S.-Russian policy that has de-emphasized human rights and ignored Russia's democrat backsliding in return for mutual support in the war against terror. President Bush's silence on these issues is deafening and gives a green light to those individuals in the Kremlin who wish to move Russia along the authoritarian path. Over the next several months, U.S.-Russian relations will be severely tested as efforts to stabalize and democratize Iraq move forward, counter-terrorism efforts continue and international efforts to address the nuclear ambitions of North Korea and Iran come to a head. The convergence of these issues which greatly affect the security of the United States and Russia; must be met with a unified response by both nations.

I look forward to hearing from Dr. Michael McFaul and Mr. Dimtri Simes who will hopefully provide us with a realistic roadmap to address the many impediments to a new framework for U.S.-Russian relations.

Mr. BEREUTER. Thank you, Mr. Wexler. Now I would like to introduce the two witnesses for the Subcommittee hearing today.

Dr. Michael McFaul is the Peter and Helen Bing Research Fellow at the Hoover Institution. He is also an Associate Professor of Political Science at Stanford University and a non-resident Associate at the Carnegie Endowment for International Peace.

Before joining the Stanford faculty in 1995, he worked for 2 years as a Senior Associate for the Carnegie Endowment for International Peace in residence at the Moscow Carnegie Center.

Dr. McFaul serves on numerous Boards of Directors. He is an author and editor of several monographs on Russia and he comments extensively in both the print and electronic media on current Russia issues and United States-Russian affairs.

Dimitri K. Simes is the founding President of the Nixon Center. Before becoming President of the Nixon Center, President Simes served as Chairman of the Center for Russian and Eurasian Programs at the Carnegie Endowment for International Peace.

He was also a Senior Associate Director of the Soviet and East European Research Program and a Research Professor of Soviet Studies at the Nitze School of Advanced International Studies at the Johns Hopkins University. President Simes is also a co-Publisher of the influential foreign affairs magazine, *The National Interest.*

I think because of the nature of your two testimonies, we are going to call on Dr. McFaul first for his testimony. Your entire statements of both you gentlemen will be placed in the record. You may proceed as you wish, Dr. McFaul.

STATEMENT OF MICHAEL A. McFAUL, PROFESSOR, PETER AND HELEN BING RESEARCH FELLOW, HOOVER INSTITUTE, STANFORD UNIVERSITY

Mr. MCFAUL. Thank you, Mr. Chairman and I appreciate that you put my testimony in the record, as it is long and I am not going to try to summarize it now.

I really do applaud you and your staff for holding this particular hearing and the title I think that you gave us aptly puts together two issues that oftentimes are treated as separate. That is: Russian democracy and United States-Russian relations.

In my opinion, when historians write about this era in United States-Russian relations, historians, real scholars, not political scientists like myself, but 40, 50 years from now the real critical issue today will be Russian democracy because if Russia consolidates a liberal democratic system inside Russia, then I am confident in predicting that Russia will become a normal, boring perhaps even strategic partner of the West, Europe and the United States.

However, if Russia does not succeed in consolidating a liberated democracy, then I think we may have good relations from time-to-time with Russians. We may have strategic interests that will unite us, but Russia will never become a full-blown ally of the United States and will never be fully integrated into a Europe free and whole.

I am quite confident that the focus of this Committee and our hearing is exactly where we should be.

Moreover, I want to remind you all that had we been meeting a decade earlier, what the agenda would have been then would have been much, much larger than it is today and that is a good sign. But that also is a reason why we have to focus on democracy today.

Let us just remember: A decade ago we would be worrying about whether the Soviet Union would be reconstituted or not. The end of an Empire. Was it going to work? Was it not going to work? I do not think we have to worry about that anymore.

Second, we would be worrying about whether Russia would make a transition to capitalism and to a market-oriented economy. That was a real debate, both in Russia and in this country just a decade ago. We can debate aspects of it and we should and maybe in questions we will, but I am confident that Russia is going to be a market-system, a capitalist system a decade from now, 4 decades from now. That debate I think is also essentially over.

Third, had we met a decade ago we would be debating the orientation of Russia in terms of its foreign policy. Are they going to look toward China and India to balance against the United States? Were they pursuing a kind of third way? That was a big debate back a decade ago. That debate is not over in Moscow, among foreign policy elites, but I think it has moved radically and pronouncedly in a pro-western and I would even venture to say pro-American direction. That is, notions of ganging up all the other countries with Russia as its pivot is also now over.

The only issue that really I think remains of interest is the fate of Russian democracy and in large measure it is about the successes that Russia has achieved on other fronts that allows us, I think, to focus on this particular question.

Because unlike the other questions that I just mentioned, the other big agenda items of just a decade ago, I think the question mark about whether Russia will make it as a democracy is still alive and relevant. In fact, the last book I wrote on this was called *Russia's Unfinished Revolution*, 2 years ago not unlike the title of your hearings today.

I want to be very clear. I do not believe that Russia is a dictatorship today. I reject that notion and if you want me to describe in detail why, I will in questions. Free and fair elections happen in that country. They do mean something. They mean less today than they did 4 years ago.

A constitution is in place that formally helps to organize politics in that country. I think this goes too far to describe Russia as a dictatorship, where it is today. However, I think it is also overwhelmingly apparent today that Russia is moving in an autocratic direction. It is not a dictatorship, but the trend line I would say, especially in the last 3 years, is in the wrong direction. I have gone through this in detail in my written remarks, I will not go through this in detail now, but let me just remind you of the laundry list and then get onto what I think we should be doing about it.

First of course is Chechnya. Congressman Wexler has already cited what our own Administration speaks about what is going on there. The violation of human rights I think are truly striking and by the way, I do not think that the way that the Russian military is fighting the war on terrorism in Chechnya either advances Russia's national interest or American national interests. On the contrary, the way that they are fighting the war on terrorism in Chechnya I think exacerbates the problem and motivates our enemies.

Again, I do not want to be misunderstood. I have no sympathy for those that use terrorist acts against Russian citizens and against Russian military forces in Chechnya. They too should be held accountable, but we are talking here today about the Russian government. We are not having a hearing about the Chechen government in exile.

Second, on the media I think there can be no question that Mr. Putin does not like free, independent press. He does not like criticism and he has shut down the last vestiges of independent press that are out there.

Every major ranking organization that follows these issues closer than I do has given Russia lower marks today than just 3 years ago. The IREX sustainability index has done so. *Freedom House* just recently ranked Russian media as unfree, for the first time since 1992.

Reporters Without Borders just ranked Russia 121 out of 139 countries that they ranked and let me remind you that two countries that I consider full-blown dictatorship, Uzbekistan and Kazakhstan, ranked higher on that list than Russia. That to me is a terrible tragedy and one could not make that argument about the Russian media just 5 years ago.

Mr. Putin was wrong at Columbia University when he said,

> "We have never had any free media every so there is nothing that I can suppress."

That is wrong. They had free media in the 1990s. They have a lot less of it today.

Third, I have gone into this before, but what he has done in terms of the reforms of the Upper House of the Congress there, the Federal Council, I think was an anti-democratic act. You now have people occupying the Senate that are not Senators and are not elected. I do not think that is a good thing.

Fourth, economic and civil society. You have seen with Mr. Khodorskovsky's case that you have mentioned, but I think you see it across the board, the arbitrary use of the rule of law. I would have no qualms with the case against Mr. Khodorskovsky and Mr. Lebadev if everybody else was held to the same set of standards.

What I think is damaging to Russian rule of law and to the economy by the way is that it is arbitrarily used against some and not others.

Fifth, you have already mentioned keeping out the West. I think this is a very dangerous trend that Congress should in particular be concerned about the fact that people are thrown out, the fact that some academics cannot get visas to go to Russia. I think these are very troubling signs that remind me of a different era.

Finally elections. If there are not some notion of free and fair elections, then we have to stop calling Russia a democracy and I see some dangerous trends in this field, particularly on the regional level where candidates are just arbitrarily eliminated from the list. It is happening today in Chechnya in a joke of an election that will happen next week.

If that continues and the law that you mentioned in your opening remarks where the control on people to talk about the election is uncertain, including by the way not just politicians and media folks, but NGO's that are uncertain what they can say about the election, that to me needs to be a real focus of attention. If that trend continues, we might have to stop calling Russia a democracy.

You rightly asked: Why do we care? Why should the American people care about democracy in Russia? The honest answer I think has to be: Right now, compared to a lot of other things, compared to the long list of things that people face here at home and compared to the other things that we are facing in foreign policy, I think it is hard to make argument that we should care in the short run.

But my fear is about the long run and if Russia does gravitate and erode and some day become a full-blown dictatorship and by the way as an expert on this I would not predict that to happen in the near term, it most certainly will not happen under Mr. Putin, but if this trajectory continues in that way, then let us remember what our relationship was like with that country when it was a full-blown dictatorship.

It was bad. We had to have hearings worrying about our rivalry and we had to worry about things like the fact that they have still tens of thousands of nuclear weapons. I do not lose much sleep about that today. I did before, when there was a different kind of regime there.

Even today, I think you see as Russia creeps toward authoritarian ways at home, you see reflections of that in its foreign policy. In fact, I would make the argument that the most unreformed

elements of the Russian regime today are those that are most antithetical to American national interests in the international sphere.

Iran is a great example. Ministry of Atomic Energy is not controlled by civilians, does not have to answer to hearings like this one yourself and as a result, I think is a kind of rogue institution that in a liberal democracy it could not have that kind of autonomy.

I would say the same thing about the KGB. I would say the same thing about the Russian military, whether we are talking about Chechnya or I will remind you whether we are talking about the Russian military just a few years ago in Kosovo when they went in uncontrolled in Prestina and we came the closest we have ever been to having NATO and Russian troops firing at each other. That cannot and should not at least happen in democratic societies. The civilians are supposed to control those military forces.

I could go on on that, but really to end: What can we do? What should we do? I have a long list, but let me just mention some of what I think are most important and especially for you in the Congress.

First and foremost, I think you have to maintain support for the Freedom Support Act. I am encouraged that you have raised the numbers that the Administration submitted to you. I of course think it should be higher than that.

Frankly, I find it absurd that the Administration talks about graduating Russia from Freedom Support Assistance at precisely the time that Russia is getting lower and lower grades. Maybe that happens at some universities, but it does not happen at Stanford. Even our football players, our prize football players do not just get to graduate after they have hung around for 8 years. Likewise, I think you need to hold the Administration accountable for at least articulating why they think Russia and Ukraine should graduate now. I see the exact opposite relationship.

Second, I think you need a giant assessment of our democracy assistance. Congressman Wexler mentioned that it is $11.6 billion. In academia you do not get $11.6 billion in grant money and do not have to write a report as to how you spent that. I would encourage you to think about a serious bipartisan blue ribbon commission to look at what this money has spent for.

Third, compel the Administration to clarify what their policy is. When Deputy Assistant Secretary Pifer comes up here and says it is one thing and then the President at Camp David says it is another, especially on these issues of democracy, it sends a very mixed message to our friends in Russia and I would really ask you to hold them accountable to clarify what the position is.

I have lots of other things I would like to insert for the record, but I think I will stop there. Thank you very much.

[The prepared statement of Mr. McFaul follows:]

PREPARED STATEMENT OF MICHAEL A. MCFAUL, PROFESSOR, PETER AND HELEN BING RESEARCH FELLOW, HOOVER INSTITUTE, STANFORD UNIVERSITY

Mr. Chairman, thank you for convening this hearing today on a very important subject. The title of the hearing, "Russia's Transition to Democracy and U.S.-Russia Relations: Unfinished Business," aptly links together two subjects that are often treated as separate issues—the condition of Russian democracy and the status of U.S.-Russian relations. By providing this title for our hearing today, you and your

staff suggest rightly the two subjects are closely intertwined. In fact, I would argue that the future of Russia democracy is the most important issue in US-Russian relations today. If Russia consolidates a liberal democracy at home, then I have no doubt that Russia will develop into a reliable and lasting ally of the United States in world affairs. If Russia fails to consolidate liberal democracy at home, then Russia may still be a cooperative partner of the United States occasionally and sporadically, but always with conflicts. If Russia lapses back into dictatorship, U.S.-Russian relations will become strained, competitive, and possibly even confrontational again as they were for most of the twentieth century.

RUSSIA'S SUCCESSES AT HOME AND ABROAD

One of the reasons why the fate of Russian democracy remains a critical issue for American foreign policy is that many previous potentially worrisome issues are no longer concerns. Many of the issues that this Committee would have discussed in a hearing on Russia a decade ago are simply no longer agenda items in Russia politics or U.S.-Russian relations.

The Empire. A decade ago, this Committee would have been worried about the reemergence of a Russian empire. In fact, one of our country's most astute students of Russian affairs, Dimitri Simes, warned with good reason a decade ago that "The collapse of the Communist establishment does not mean that the imperial, autocratic Russian tradition has come to an end. It only implies that, next time, it may have to reappear in a different form, with different slogans and different leaders."[1]

Today, however, the probability of a resurgence of a new Russian empire is low. To be sure, Russian President Putin seeks to expand Russian influence throughout the territory of the former Soviet Union. Just last week in a meeting of heads of state from the region, he called for the creation of an economic union between the major states that emerged after the collapse of the Soviet Union. As the largest economy and most powerful military power in the region, there should be no doubt that Russia will continue to exercise influence in its neighborhood. A *democratic* Russia, though, will not seek to acquire new territory through the exercise of military force. This threat only becomes real if a dictator returns to the Kremlin.

The Economy. A decade ago, this Committee would have been worried about whether or not capitalism in Russian could take hold. In 1993, inflation was skyrocketing, state subsidies to Russian enterprises were busting the budget, the Central Bank recklessly printed money, and private property did not really exist. Russia's economic crisis was so bad that many important politicians and political forces rejected capitalism altogether as the right way to organize an economy.

Today in Russia, the debate about capitalism and communism is over. Even the Communist Party of the Russian Federation (CPRF) now accepts the legitimacy of private property and markets. Just as Republicans and Democrats in this chamber debate about how best stimulate and regulate the American economy, communists and liberal continue to debate what kind of capitalism Russian should develop. And what has taken shape so far in Russia is still not what most in the West would recognize as a market economy. Nonetheless, the trajectory is in the right direction.

Moreover, since becoming president, Putin has done much to accelerate Russian economic reform. His first major economic reform was the introduction of a flat income tax of 13 percent, a new code, which has raised revenues. Putin's government and the new pro-Putin Duma passed into law a series of fundamental reforms, including a new land code (making it possible to own commercial and residential land), a new legal code, a new regime to prevent money laundering, new legislation on currency liberalization, and a reduced profits tax (from 35 percent to 24 percent). Under Putin, the Russian government also has balanced the budget and sharply reduced international lending. Throughout most of the 1990s, a major issues of every Russian-American summit was how much Yeltsin was going to ask from the I.M.F. this time around. During Putin's visit to Camp David last week, I.M.F. loans, requests for debt relief, or pleas for other forms of financial assistance were not on the agenda.

It is still unclear whether these economic reforms have helped the Russian economy, or whether other factors—such as the devaluation of the ruble in 1998 or rising oil prices since 1999—are the real causes of economy growth. No one, however, debates that the Russian economy is growing. Russian GDP grew by 3.2 percent in 1999, and an amazing 7.7 percent in 2000.[2] In 2001 and 2002, growth remained

[1] Dimitri Simes, "Russia Reborn," *Foreign Policy*, vol. 85 (Winter 1991—92), pp. 41–62.

[2] Estimates of Russian GDP figures vary considerably among analysts and sources. The 1999 figure comes from Brunswick UBS Warburg, *Russia Equity Guide 2000/2001* (Moscow, 2000),

Continued

positive but tapered off, though many predict that the economy may grow again by as much as seven percent this year. Russian industrial growth increased by 8.1 percent in 1999 and has continued at a positive rate since, with the biggest gains in food production and textiles. Inflation also remained under control—dropping from 84.4 percent in 1998 to 36.5 percent in 1999, while the currency has stayed relatively stable. Real per capita incomes have risen 32 percent raise under Putin, hard currency reserves now exceeds $ 60 billion, the stock market is up fifty percent from this time last year, and Foreign Direct Investment is expected to be way up this year, around $ 12 billion, thanks largely to the BP–TNK joint venture (worth $6.75 billion).

Real problems remain. The Russian economy is still too reliance on volatile oil and gas prices, too many monopolies have not been reformed, the state sector is still large for an emerging economy, no real banking system exists, corruption still plays too huge of a role in business transactions, and hard structural reforms such as pension and housing have yet to tackled comprehensively. But there is little doubt about the general pro-market direction of Russia's economy today.

Foreign Policy. A decade ago, this Committee would have been alarmed by the cantankerous debate underway in Moscow concerning Russia's place in the world. Back then, communist and neo-fascist forces with real popular backing were advocating that Russia seek to balance against American power. These voices called for grand alliances with China and India to repel American hegemony. These same forces were suspicious of Western institutions such as NATO, the IMF, and even the European Union. In their view, the central objective of American foreign policy was to weaken Russia.

This perspective still exists in Russia today. But it is not the dominant view among foreign policy elites and is most certainly not the orientation of Putin and his government. Putin and his foreign policy team are still suspicious of American intentions and worried about American hegemonic power. Rather than build alliances to try to balance this power, however, Putin has decided to move Russia closer to the West and closer to the United States in particular, since he sees Russia's national interests as best served through partnership, not rivalry, with the West. On some issues areas, such as the war on terrorism, Putin has even called the United States an "ally" of Russia. As Putin stated on September 27, 2003, in his remarks after the summit at Camp David held last weekend, the "fight against terrorism continues to be among priorities of our cooperation. I agree with the assessment that the President of the United States has just given. In this sphere, we act not only as strategic partners, but as allies."

Putin's understanding of the strategic interests shared between the United States and Russia and his apparent warm personal feelings to President Bush have not yet translated into real breakthroughs in U.S.-Russia relations in the last year. Putin and his government provided real assistance to the United States during the war against the Taliban in Afghanistan. The Russian government trained and armed the Northern Alliance, shared intelligence with their American counterparts, opened Russian airspace for flights providing humanitarian assistance, and did little to impede the creation of American military bases in Central Asia. Beyond Afghanistan, Russia has done little to assist the American war and reconstruction effort in Iraq. Nor, despite the claim of being allies in the war on terrorism, has Putin changed Russia's policy toward Iran. Russia could play a pivotal role in slowing down Iran's acquisition of nuclear weapons, but has not yet (at least publicly) taken serious steps in the direction, but instead continues to fulfill its contractual obligations to complete the construction of the nuclear power facility at Bushehr.

Nonetheless, even if tangible "deliverables" cannot be seen yet from today's Russian-American partnership, the general orientation of Russian foreign policy is not in doubt. Putin looks to the West, not the East or South, when thinking about Russia's long term strategic interests in the world.

THE BIG UNFINISHED AGENDA ITEM: RUSSIAN DEMOCRACY

Of the big agenda items from the 1990s in Russian reform and Russian foreign policy, only one remains—the future of the Russian political system. The empire is gone and will never come back. Russia is a market economy and will never return to a command economy. The future of Russian democracy, however, is much more uncertain. If Russia fails to consolidate a democratic regime, the current pro-Western orientation in Russian foreign policy could also change over time.

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p. 21. This figure of 7.7 percent is quoted from German Gref, Russian minister of economic development and trade, in *Russian Business Watch*, vol. 9 (Summer 2001), p. 8. Others have estimated the growth in GDP in 2000 to be as high as 8.5 percent.

Russia is not a dictatorship. The regime in place in Russia today is radically different from the one-party autocracy that ruled the Soviet Union for seven decades. During the late 1980s and 1990s, democratic practices did take hold in Russia. Although non-elected officials from the Federal Security Service or FSB (formerly known at the KGB) have assumed an increasingly large role in governing the federal government in recent years, elected officials do still control the highest levels of the Russian state. Formally, the way these elected officials rule is guided by a constitution that was ratified by the people in 1993. Generally, Russian individuals and political parties that adhere to the constitution are allowed to participate in elections, although some parties were not allowed to participate in the 1993 parliamentary elections, one group was denied access to the ballot in the 1999 parliamentary vote, and others have been scratched from the ballot in regional contests. (Those Chechen groups labeled terrorists, including the last elected president of Chechnya, also do not have this right). The Russian political system also exhibits some aspects of liberal democracy; most religious, ethnic, and cultural groups can express their views openly and organize to promote their interests (although again the one place of exception to this standard is Chechnya). Likewise, most citizens are equal under the law and most individuals can express their beliefs, assemble, demonstrate and petition

Russia, however, is moving in an autocratic direction. The regime in Russia never met all the criteria of liberal democracy. After his election as president in the spriong of 200, Vladimir Putin inherited a political system with weak democratic institutions—the balance of power between the president and legislative branch was skewed too far in favor of the president, rule of law had only begun to take root, and the political party system as well as civil society was underdeveloped. Since coming to power, Putin has done little to strengthen democratic institutions. Instead, most of Putin's political reforms have served to strengthen his political power without undermining formally the democratic rules of the game. Putin's advisors have a term for this transformation—"managed democracy."

The evidence of democratic erosion in Russia under Putin is now overwhelming and will only be summarized here (See the attached Appendix for greater details).

Chechnya. Putin's armed forces continue to abuse the human rights of innocents on a massive scale in Chechnya. Russia may have had the right to use force to defend its borders. But the means deployed to fight this war—torture, including summary executions, bombings of villages, the rape of Chechen women, and the inhumane treatment of prisoners of war—cannot be defended. Putin's pledge to close all refugee camps in Ingushetiya means that as many as 12,000 internally displaced persons could be forced into unsafe conditions this winter. During the 2000 presidential campaign, Bush remarked, "We want to cooperate with [the] Russian [government] on its concern with terrorism, but that is impossible unless Moscow operates with civilized restraint." Al Qaeda has supported terrorists in the region, who continue to attack innocent Russians. But the gross violation of international norms by the Russian government in combating the problem has left a trail of devastation that will take years to overcome and has brought Russia no closer to ending this tragic conflict. This kind of war has not made Russia more secure or helped the United States battle terrorism. On the contrary, the war has inspired more fanaticism among enemies of both Russia and the United States.

Media. Since coming to power, Putin and his government have seized control of Russia's last independent national television networks and silenced or changed the editorial teams at several national newspapers and weeklies. Freedom House recently downgraded Russia's freedom of the press ranking to "not free." IREX, which recently published its second annual Media Sustainability Index for Europe and Eurasia, reported that Russia had witnessed serious backsliding in freedom of speech, the ability of its citizens to receive a variety of independent news sources, and the quality of news and information its citizens receive. Reporters Without Borders, which just published their first worldwide freedom of the press index, ranked Russia 121st out of 139 countries assessed, one of the worst performers in the post-communist world even below Uzbekistan and Kazakhstan. When asked at Columbia University last week about recent state suppression of independent media, Putin cynically responded that his government could not repress independent media in Russia because Russia has never had any independent media to repress.

The Federation Council and the Regions. Putin also has put into place a new system for constituting the Federation Council, Russia's upper house of parliament. Under earlier formulas, the members of Federation Council were elected. Now they are appointed, making the body much less legitimate and much less of a check on presidential power. Putin also has launched an aggressive campaign to increase the reach of the federal government in the affairs of regional government. The results

of these so-called reforms are still uncertain, but the intention is clear—greater control of Moscow over sub-national units of the Federation.

Economic and Civil Society. On Putin's watch, state intrusion in Russian society has increased dramatically, from the arrest and harassment of human rights activists to the creation of state-sponsored "civil society" organizations whose mission is to crowd out independent actors. The current Kremlin campaign against the oil giant Yukos suggests that even Russia's business class must submit to the arbitrary rule of a resurgent state—a state run increasingly by former KGB officers rather than civilians.

Keeping out "the West." Putin also seems determined to limit Western contacts with Russian society. His government has tossed out the Peace Corps, closed down the office in Chechnya of the Organization for Security and Cooperation in Europe, declared *persona non grata* the AFL–CIO's representative in Moscow, and denied visas to American academics. In his remarks at Columbia University last week, President Putin called on American scholars to bury once and for all Sovietology, yet the actions of his government are contributing directly to the resurgence of this form of imperfect analysis from afar, without access to information about how decisions are made in the Kremlin.

Elections. Most ominously, the Kremlin has intervened egregiously to influence the electoral process, removing without just cause candidates in regional elections, including the upcoming election for governor in Chechnya (in which there is now, thanks to the Kremlin, only one real candidate), and limiting the flow of information about the next parliamentary vote in December. Putin's new rules make it illegal for analysts to comment on the campaign. Putin's government also has taken actions to limit the independence of Russia's oldest and respected polling firm, the All-Russian Center for the Study of Public Opinion, since most opinion polls show that a solid majority of Russian citizens support democracy, a growing portion does not support the military campaign in Chechnya, and only a minority is prepared to back the government's party in the upcoming parliamentary election.

Putin of course did not personally orchestrate all of these democratic rollbacks. But he also has done nothing to reverse them.

The campaign to erect managed democracy has had serious negatives consequences for the quality of democracy in Russia. The destabilizing consequences of this campaign, however, are less apparent. Above all else, there is no demand from society for a more liberal, democratic order.[3] While some pockets of civil society have tried to resist authoritarian creep, the vast majority in Russian society has demonstrated little interest or capacity to withstand Putin's anti-liberal reforms. This form of government could be in place for a long time in Russia.

THE RELATIONSHIP BETWEEN RUSSIAN DEMOCRACY AND U.S. NATIONAL SECURITY

Why should this Committee or anyone else in American care about the future of Russian democracy? It is their problem right? And even if we did want to help, do we have the means to do so? Do the Russian people even want us to help?

At the most general level of analysis, there should be no question that the United States has a strategic interest in fostering democratic regimes abroad, and especially in large, powerful countries like Russia. Democracies do not attack each other. This hope about the relationship between domestic regime type and international behavior centuries ago has become an empirical reality in the twentieth century. No country's national security has benefited more from the spread of democracy than the United States. Today, every democracy in the world has cordial relations with the United States. No democracies are enemies of the United States. Not all dictatorships in the world are foes of the United States, but every foe of the United States—Iran, Libya, North Korea, Cuba, and possibly in the future, China—is a dictatorship. With few exceptions, the countries that provide safe haven to non-state enemies of the United States are also autocratic regimes. With rare exceptions, the median voter in consolidated democracies pushes extreme elements to the sidelines of political arena. Democracies also are more transparent, which makes them more predictable and less able to hide hostile activities, such as the production of weapons of mass destruction for non-state actors. Logically, then, the expansion of liberty and democracy around the world is a U.S. national security interest.

The deductive logic of this argument about the "democratic peace" is complemented by empirical evidence from the twentieth century. In the first half of the

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[3] Richard Rose and Neil Munro, *Elections without Order: Russia's Challenge to Vladimir Putin* (Cambridge: Cambridge University Press, 2002); and Timothy J. Colton and Michael McFaul, Russian Democracy Under Putin," *Problems of Post-Communism*, vol. 50, no. 4 (July-August 2003) pp. 12–21.

last century, imperial Japan and fascist Germany constituted the greatest threats to American national security. The destruction of these tyrannical regimes *followed by* the imposition of democratic regimes in Germany and Japan helped make these two countries American allies. In the second half of the last century, Soviet communism and its supporters represented the greatest threat to American national security. The collapse of communism in Eastern Europe and then the Soviet Union has greatly enhanced American national security. The emergence of democracies in East Central Europe a decade ago and the fall of dictators in South Eastern Europe more recently have radically improved the European security climate, and therefore U.S. national security interests. Without question, however, liberty's expansion produced the greatest payoff for American national security when democratic ideas and practices began to take hold within the USSR and then Russia. So long as unreconstructed communists ruled there, the USSR represented a unique threat to American security. When the communist regime disintegrated and a new democratically oriented regime began to take hold in Russia, this threat to the United States diminished almost overnight.

Regime change insider Russia was not the sole cause of the sea change in Russian behavior internationally. Russia today is much weaker, militarily and economically, than the Soviet Union was at the time of its collapse. Even if Russia wanted to underwrite anti-American movements in third countries or construct anti-NATO alliances, it may not have the means to do so. And yet, power capabilities are not the only variable explaining the absence of balancing against the West, any more than the military equation was the only reason for Soviet-American enmity during the Cold War. Russian foreign-policy intentions have changed more substantially than Russian capabilities. Russian weakness was part of the diminishing threat, but only a small part. After all, Russia still has thousands of nuclear weapons capable of reaching American territory. A new fascist regime in Russia would make this arsenal threatening once again.

The chances of Putin or his successor restore full-blown autocracy in Russia are remote. Yet, well before the reinstallation of Russian dictatorship, the negative effects on American national interests of partial democratic reform in Russia can already be observed. In Kosovo just a few years, a renegade Russian military operation to occupy Pristina nearly precipitated the first direct combat between NATO and Russian troops. Had Russia in place at the time a fully consolidated democracy, complete with civilian control over the military, this dangerous fiasco would not have occurred. Today, it is no coincidence that the most Soviet-like, unreformed elements of the Russian state are the same actors threatening American security interests, be they the Russian armed forces fighting in Chechnya and threatening Georgia, the Ministry of Atomic Energy working with Iran, or the remnants of the KGB operating to counter American influence in Ukraine.

Today Putin enjoys high approval ratings, giving him the capacity to rule without the support of anti-democratic elements and unreformed units of the Russian state if he chose to do so. Nonetheless, even with victory certain in the 2004 presidential election, Putin appears at times to be beholden to these forces now. Many Kremlin watchers already ascribe incredible power to the former FSB officers now serving in Putin's government both in the ministries and in the presidential administration. If Putin's popularity were to fall, then he would have to rely even more heavily on these FSB officers, as well as on the so-called power ministries such the Ministry of the Interior and the Ministry of Defense (both now headed by former FSB officers). In the worst case scenario, if democracy were suspended completely, Putin or his successor would become completely dependent on these forces. In this scenario, the guys with guns who would be needed to maintain autocratic rule are also the same domestic constituencies in Russia, which are most hostile to the West, and the United States in particular. It was democratic regime change in the Soviet Union and then Russia that put an end to a cold war. Russian regime change in the opposite direction will rekindle competition between the U.S. and Russia.

If Putin or some other leader does eventually erect a new dictatorship, then the other achievements of the last decade mentioned above could also become less secure. In dictatorships, the military is the most important constituent. In Russia, the military is the most pro-imperial interest group in the country.

In contemporary dictatorships, capitalism rarely thrives. China is the exception; Angola is the rule. After a decade of postcommunist transition, one of the striking outcomes across the board is the correlation between democracy and economic

growth.[4] Recent studies of transitional economies suggest that an independent media and a strong party system are more important for fighting corruption than a bloated police force. The best watchdogs for bad policy and corrupt government are hungry politicians who want to get back into power through the ballot box or investigative journalists who want to make their name by exposing company fraud. Moreover, dictatorships are best at guiding economic growth when the task is to move from an agrarian-based to an industrial society. Russia's task today, however, is to make the shift from an industrial to a post-industrial economy. The Soviet state could build Uralmash, but the new Russian state cannot pick the next Bill Gates. In addition, a Russian state that takes away the license of an independent television network or uses the law to weaken Yukos as an economic and political power can also seize the assets of American oil companies or portfolio investors.

More generally, the Yukos affair suggests that there are two economic models being advanced by different factions within the presidential administration and Russian government. Russia's liberal reformers want see a form of capitalism in Russia in which the line between the state and the private sector grows increasingly clear. Their opponents favor a closer relationship between the state and economic entities in which the state retains partial ownership (and complete control) of Russia's major companies. For the first group, Yukos is a model company. For the second group, Gazprom or Rosneft are preferred models. Over the long run, economies based on the latter model do not produce as much growth as those based on firms controlled by private owners.

Finally, the United States should want to see the consolidation of democracy in Russia because the people of Russian want democracy. In poll after poll, Russian report that they value democratic ideals and practices, even if they are not ready at this time to fight for the protection or promotion of these practices.[5]

STEPS TO HELP THE CAUSE OF RUSSIAN DEMOCRACY

The battle for democracy within Russia will largely be won or lost by internal forces. In the margins, however, the United States can help to tilt the balance in favor of those who support freedom. The U.S. Congress has an important, independent role to play, especially today when the Bush administration is distracted with other foreign policy issues. While many issues in U.S.-Russian relations should be tackled principally and primarily by the executive branch, democracy promotion is one issue in which the U.S. Congress should take an active role.

Maintain Support for the Freedom Support Act (FSA). Paradoxically, at a time when Russian democracy is eroding, some Bush administration officials have begun to discuss the timetable for Russia's "graduation" from American-funded democracy programs. Perhaps reflecting this idea, the Bush administration originally requested to cut funds for Russia under the Freedom Support Act from $148 million in 2003 to $73 million in 2004. The job of democracy building in Russia is not only incomplete, but becoming more difficult. This is no time for "graduation." And if the United States abandons democratic activists in Russia now—well before democracy has taken root—what signal will this send about American staying power to those democratic leaders in Iraq and Afghanistan? Congressional leaders, including some on this Committee, demonstrated real leadership in adding funds to these original budget requests. These higher numbers must be maintained until Russia shows real progress in consolidating democratic institutions. Talk of cutting funding for exchange programs is also dangerously short-sided. The United States has no greater asset for promoting democracy than the example of our own society. The more Russians who come to the United States, the better.

Assess Democracy Assistance. Congress should organize a comprehensive assessment of democracy assistance to Russia over the last decade, which should be made by a blue ribbon, bipartisan commission of independent analysts, scholars, and former statesmen. We need to know what works and what does not work, both to improve programs in Russia, but also to offer up a list of best practices for new democracy assistance programs in Afghanistan and Iraq. To date, the accumulated knowledge on this subject both in government and academia is appallingly thin.

Compel the Bush Administration to Clarify Its Policy on Russian Democracy. In the last two years, Bush administration officials have made very contradictory state-

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[4] Joel S. Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics*, vol. 50 (January 1998), pp. 203—34; Valerie Bunce, "The Political Economy of Postsocialism," *Slavic Review*, vol. 58 (Winter 1999), pp. 756—93; Anders Aslund, *Building Capitalism: The Transformation of the Former Soviet Bloc* (Cambridge University Press, 2002), chap. 9.

[5] Timothy Colton and Michael McFaul, *Popular Choice and Managed Democracy: The Russian Elections of 1999 and 2000* (Washington: Brookings Institution Press, 2003), chapter eight.

ments about their level of concern about democratic backsliding in Russia. Recent statements made by Ambassador Vershbow in Moscow or Deputy Assistant Secretary of State Stephen Pifer connote real concern about internal developments in Russia. Statements by President Bush convey the opposite. For instance, against the backdrop of overwhelming evidence of democratic erosion in Russia over the last three years, President Bush made the following assessment about Putin's aims during his press conference at Camp David last week: "I respect President Putin's vision for Russia: a country at peace within its borders, with its neighbors, and with the world, a country in which democracy and freedom and rule of law thrive." It is hard to understand on what basis President Bush has made this assessment about Putin's vision. U.S. officials responsible for Russia in the Bush administration have never argued that Putin wants to build a political system in which democracy and freedom and rule of law thrive. In fact, Putin's quip at Columbia University last week that the absence of press freedoms in Russia is a fact of life hardly sounded like man dedicated to making freedom thrive.

President Bush's happy talk on Russia undermines the credibility and authority of lower level officials with a different, more critical message. To be effective and sound credible, the Bush administration must speak with one voice.

Speak the Truth about Democratic Erosion in Russia. Just weeks before assuming her responsibilities as National Security Adviser, Condoleezza Rice wrote about the deleterious consequences of not speaking honestly about Russia's internal problems: "The United States should not be faulted for trying to help. But, as the Russian reformer Grigori Yavlinsky has said, the United States should have 'told the truth' about what was happening [inside his country]." She then attacked "the 'happy talk' in which the Clinton administration engaged."[6] Dr. Rice's message is even truer today. Yavlinsky still wants U.S. officials to tell the truth. Democracy building takes decades, and America's public condemnation of the problems can make a real difference for reformers inside the country struggling to get their message heard. Because the Bush administration has decide to not focus on these set of issues at this time, Congress should be especially vocal.

Show Solidarity with Russian Human Rights Activists. In speaking the truth, U.S. officials, and especially members of Congress should make it clear what side they are on in the struggle for democracy inside Russia. Russian human rights activists feel most alienated by the lack of American attention devoted to their causes today. Congress should take the lead in embracing these individuals, recognizing their achievements, and giving them a platform to explain to the American people what is the real state of democracy and human rights inside Russia today.

Repeal the Jackson-Vanik Amendment/Create the Jackson-Vanik Foundation. Thirty years ago, Senator Henry "Scoop" Jackson and Congressman Charles Vanik co-sponsored an amendment to the 1974 Trade Act, which must rank as one of the most successful foreign policy ideas initiated by Congress during the Cold War. This Jackson-Vanik amendment was a moral act. It explicitly linked the Soviet Union's trading status to levels of Jewish emigration. Leonid Brezhnev and the rest of the Communist Party politburo publicly scorned this linkage as a violation of Soviet sovereignty, but quietly responded by increasing Jewish emigration quotas. The legislation produced tremendous results, helping to trigger the emigration of over a half million refugees—including Jews, Catholics, evangelical Christians—from the Soviet Union and its successor states since 1975.

Compared to the dark days of the Soviet Union, the quality of political freedoms and individual liberties in Russia has increased dramatically in the two decades since the creation of Jackson-Vanik. Tragically, as discussed above, some of the human rights problems that Jackson and Vanik wanted to address in 1974 still remain.. However, Jackson-Vanik no longer addresses these new strains of democratic infringements. It is time for Congress to graduate Russia from Jackson-Vanik and at the same time initiate new legislation to deal with these new forms of abuse. Specifically, Congress should create a Jackson-Vanik Foundation, dedicated to the promotion of human rights and religious freedoms in Russia. This new foundation could be tasked with making direct grants to those activists and organizations in Russia that are still dedicated to the original principles outlined in the 1974 legislation. Such a foundation would offer a more effective and direct mechanism for supporting human rights and religious activists inside Russia than the outdated Jackson-Vanik amendment.

Increase Funds for Education in Russia and the United States. Education is the ally of democracy and democracy is the ally of the United States. The United States must devote greater resources to developing higher education within Russia and to

[6] Condoleezza Rice, "Exercising Power without Arrogance," *Chicago Tribune*, December 31, 2000

promoting the study of more Russians within the United States. Special emphasis must be placed on promoting public policy schools. Subsiding internet access and promoting the study of English within Russia are two additional powerful tools for promoting democracy within Russia and integrating Russian society into the West.

These programs can only be effective if the visa regime for Russians traveling to the U.S. is streamlined. It is an absolutely absurd situation when a Russian student receives a scholarship funded by the Congress to study in the United States, but then is denied a visa to enter the United States. Congress should establish an oversight commission to make sure that these situations occur less frequently.

CONCLUSION

Speaking before the VFW's national convention in August, Rice argued, "The people of the Middle East share the desire for freedom. We have an opportunity—and an obligation—to help them turn this desire into reality." Russians also want freedom. We still have an obligation to help them as well. It is an obligation not only to the Russian people, but to the American people, since Russian democracy serves not only the political and economic interests of Russia's citizens but the national security interests of the American people.

Mr. BEREUTER. Dr. McFaul, thank you very much for your written testimony as well as your comments just now.

We are pleased now to hear from President Simes. You may proceed as you wish.

STATEMENT OF DIMITRI SIMES, Ph.D., PRESIDENT, NIXON CENTER

Mr. SIMES. Thank you, Mr. Chairman. I was delighted to hear in your introductory remarks that you believe that when we discuss the relationship with Russia we should focus first and foremost on American interests and principles. That is very important.

It is very important because after September 11 we have to remember that there are priorities in foreign policy. There are things we believe in. There are things we like to do. And there are things somewhat less than vital. But there are also things that have profound implications for the security of the American people, for the survival of the Republic.

It is in this spirit that I want to approach our subject today. Several years ago, I think it was in 1998, Professor McFaul and I attended the same small dinner with Secretary of State Madeleine Albright. This was just before the NATO operation against Kosovo.

I remember Secretary Albright's very eloquent presentation as to why this operation was the right thing to do and I remember my own remarks in response to the extent that I was hopeful that before proceeding with the operation the Clinton Administration would think carefully about what this military operation could do to our relationship with Russia, China, and other major powers of considerable importance to the United States.

Secretary Albright said that this was very much on her mind. She said that she was in constant consultation with Russian senior officials and that the administration knew what it was doing.

Well, now we know it was not quite that simple. Now we know that the operation in Kosovo did considerable damage to the United States-Russian relationship and that one result of this damage was the weakening of United States-Russian intelligence cooperation, including on the Taliban and al-Qaeda.

We also do know that because of sharp differences between Russia and the United States over Chechnya, the Clinton Administration was not prepared even to entertain seriously the possibility of

cooperation with Russia against the Taliban. President Putin, at that time still Prime Minister Putin, could have proposed this back in 1999.

The Russians were talking about threats coming from the Taliban and al-Qaeda. Of course they were not philanthropists. They were the ones who were threatened most of the time. There were Islamic fundamentalist insurgencies in Central Asia, including in areas where the Russians had their troops. So the Russians wanted to bring the United States into the picture. But because of sharp differences between the United States and Russia, it was impossible for the Clinton Administration to view any single Russian proposal as anything beyond a "neo-imperialist" Russian attempt to have more influence in Central Asia.

Mr. Chairman, we cannot replay history. I have no idea what would have happened if we had decided to cooperate with Russia against the Taliban at that time, if we supported the Northern Alliance at that time, if our intelligence agencies worked together, if we had some joint anti-terrorist planning. I do not know, Mr. Chairman, whether we could have September 11.

What I do know, Mr. Chairman, is that we would be irresponsible, in my view, if because of our differences with Russia over important, but not essential matters, we neglected the most fundamental American interests in the relationship with Russia, namely terrorism and nonproliferation—nuclear nonproliferation first and foremost, but of course also the nonproliferation of all other weapons of mass destruction.

Fortunately, American and Russian interests in this area are sufficiently similar to allow our two nations to work together. That in my view, is the most important reason to look at the United States-Russian relationship.

Let me say, Mr. Chairman, that there are a lot of differences in specific United States and Russian approaches, as Mr. Wexler has correctly observed, and there is a lot to worry about in specific Russian policies toward North Korea and especially Iran.

However, there has been some toughening of the Russian positions on both North Korea and Iran. There was movement in the American direction, insufficient movement, but still encouraging movement and I think we have to notice it and we have to try to build upon it to have more serious and more effective cooperation.

Let me also say that Chechnya is a very complex case with at least two different dimensions. First, it is a genuine rebel against Russian rule. But it is also clearly an international terrorist operation against Russia.

As some of you may know, I was very strongly against the first Russian invasion of Chechnya in 1994 because I thought the Chechens had a strong moral case and because I thought that a deal could be made between Russia and Chechnya to allow Chechnya to be independent threatening Russian sovereignty or territorial integrity.

But we are not talking about the first Chechan War anymore. We are talking about the second Chechen War. The second Chechen War, Mr. Chairman, came in response to a the Chechen invasion of Dagestan, an adjacent Russian region that by all indications wanted to stay inside Russia.

There are different stories about the apartment bombings in Moscow in 1999 and I do not have my own informed opinion about what really happened. One of my closest friends, the late Russian journalist Yuri Shchekochikhin was vice-chairman of the Russian security committee. He believed that these explosions were the work of the Russian security services.

Other people in Moscow whose opinion I also value did not see any evidence to substantiate this allegation. So Mr. Chairman, I remain agnostic on this issue.

I am not agnostic about what happened last fall in Moscow, however. The theater tragedy. A major terrorist operation took place during the theatrical performance at the Dubrovka theater. It was taken by people who were clearly terrorists and who definitely came from Chechnya. Incidentally, the leaders of these people have not only sentenced President Putin to death, but have also threatened to kill President Bush. And there is no question that members of al-Qaeda spend a lot of time in Chechnya.

I do have a certain sympathy with some of the Chechen militants. I understand where they are coming from, as I understand where some members of Hamas are coming from. But at the end of the day terrorists are terrorists and I think that unless we are prepared to offer an alternative solution to Russia that meets Russian needs, an element of humility on our part would be constructive.

I completely agree with Dr. McFaul that Russian military practices in Chechnya are atrocious. They are a disservice not only to American interests and values but also to Russian interests.

Having said that, I do not know what advice I can give to the Russians. The problem is that their Army is underpaid, understaffed, and severely demoralized. The Russian Army does not know how to fight any other war. I am not convinced that atrocities in Chechnya are a result of Russian official policy. I do not think that Putin himself would welcome his Army fighting in this ineffective and pathetic way.

I think that we have to talk to the Russians about the damage that this kind of war clearly does to their country's image in the United States and elsewhere and I think we have to talk to them about serious anti-terrorist joint training.

But unless we know what we want them to do instead, I am not sure that I am prepared to condemn them. I am also not prepared to make it a major issue in the United States-Russian relationship that could jeopardize United States-Russian cooperation in other essential areas.

Mr. Chairman, Iraq is a very important issue for the United States and every time I am in Moscow I tell my Russian friends that they had better understand how we feel about Iraq and about terrorism after September 11 and if they want to be America's friends and partners, they have to be sensitive to our concerns and to our priorities.

But you also have to understand what the Russians say in response. They think that they are being subjected to terrorism and that their people are being killed. So when they are being lectured by foreigners about their imperfections and their brutalities with-

out being offered a credible alternative, it is not very helpful to our relationship.

My bottom line, Mr. Chairman, is not that we should be silent about Russian violations of human rights, but that we should remember that if we want Russia to be a partner, we should treat Russia as a partner. We have differences with many countries with which we have common strategic interests. Obviously we will not pursue common strategic interests with dictators, with people who engage in atrocities as a matter of policy, or with people that are responsible for holocausts or for the killing fields of Cambodia.

Mr. Chairman, I yield to no one on the issue of human rights. I voted for democracy American style with my feet. I emigrated from the Soviet Union. I was expelled from Moscow State University because I denounced Russia's involvement in Vietnam. I was in a lot of political trouble in Russia, including a short imprisonment.

My parents were forced to emigrate from the Soviet Union after my mother became a defense counsel for Anatoly Sharansky and my father was accused on Russian TV of being an American spy. I know what democracy in Russia means.

I feel very strongly for Russian democracy, but I know that in order to promote democracy in Russia we need strategic partnership, not silent approval, or applauding Russian violations of human rights as we sometimes did during the previous Administration.

We need an honest dialogue with Russia, but we also need a sense of empathy with the Russian predicament as a very young democracy. We also have to understand our fundamental strategic interests, which happen to overlap with interests of Russia. Thank you, Mr. Chairman.

[The prepared statement of Mr. Simes follows:]

PREPARED STATEMENT OF DIMITRI SIMES, PH.D., PRESIDENT, NIXON CENTER

The Commission on America's National Interests and Russia is an outgrowth of the Commission on America's National Interests, a group of Americans convinced that U.S. global leadership is essential in the 21st century and concerned that this leadership could suffer in the absence of clear priorities. The previous Commission's Reports in 1996 and 2000 sought to focus thinking on defining American national interests in the world. The current Commission addresses the specific issue of American national interests and Russia.

The Final Report of this new Commission will be issued next spring in an effort to inform debate during U.S. presidential and congressional campaigns. In light of the recent U.S.-Russian conflict over Iraq, the Commission has issued an Interim Report addressing more immediate challenges in the U.S.-Russian relationship. The Commission is supported by Harvard's Belfer Center for Science and International Affairs and The Nixon Center.

EXECUTIVE SUMMARY

The public reconciliation of Presidents Bush and Putin in St. Petersburg and at the G–8 Summit in Evian has fostered the impression that all is well in the U.S.-Russian relationship. This is a dangerous misimpression. The U.S.-Russian dispute over Iraq exposed conflicts in the U.S.-Russian relationship and even cracks in its foundation that must be addressed to advance vital American interests.

The tragic attacks on the World Trade Center and the Pentagon rapidly crystallized American thinking about the interrelated threats of terrorism and proliferation. Containing these threats has become the principal aim of U.S. foreign policy. Today's Russia can play a major role in advancing this aim—or in undermining it.

The combination of Russia's size and strategic location; its relationships with, intelligence about and access to key countries; its arsenal of nuclear and other weap-

ons and technologies; its enormous energy resources; and its ability to facilitate or block action by the United Nations Security Council places Moscow among America's most important potential partners. Fortunately, the interests America and Russia share greatly outweigh the interests that divide us. Nevertheless, even before the dispute over Iraq, lingering resentment on both sides was undermining the relationship. Russian opposition to one of the most significant American foreign policy initiatives of the last decade raised further questions and must be correctly understood not simply to avoid further problems, but also to get the most out of the U.S.-Russian relationship.

Many Russians now believe that Moscow's opposition to U.S. policy toward Iraq was a strategic blunder. It also reflects shortcomings in America's approach, however, including the delay in deepening the U.S.-Russian relationship, the concomitant absence of equities that would have encouraged Moscow to accommodate U.S. preferences, and the undisciplined pursuit of contradictory policies.

Moving forward requires that Russian officials understand that the United States has been making a special effort to develop bilateral relations and that obstructionist conduct on key U.S. priorities is not cost-free. It also requires a review of the U.S.-Russian relationship and the development of more reliable means to advance American interests within it and through it.

First, as the Iraq experience demonstrates, changes in the format and style of communications with Russia are necessary. Better communication is not a panacea. Communication with Russia is complicated by Russian unrealistic expectations of symmetry that have not yet fully accommodated very real asymmetries in the bilateral relationship. Nevertheless, extra attention to Moscow—through earlier and more frequent consultations, including private dialogues, and by easing Russian travel to the U.S.—is appropriate in view of Russia's crucial geopolitical role.

Second, the Bush Administration must take a series of steps to improve counterterrorism cooperation. These include promoting intelligence sharing, developing joint threat assessments and counter-terrorism strategies and plans, working with Russia and other states in Central Asia to secure borders, and clarifying U.S. interests and objectives on Russia's periphery. Practical cooperation in countering terrorism is complicated by resentments and suspicions in bureaucracies on both sides, as well as justifiable reluctance to share sensitive information. But the contribution such cooperation could make to American security is considerable.

Third, the U.S. and Russia should take the lead in creating an Alliance against Nuclear Terrorism. This new Alliance should address North Korea, Iran and other nuclear aspirants; the dangers of "loose nukes"; and the non-proliferation regime. Specific elements should include joint threat assessments and coordinated strategies, including agreement that if non-proliferation measures are successful and if North Korea and Iran comply, regime change will not be pursued. More broadly, the U.S. should seek Russian cooperation in establishing new standards for the security of nuclear weapons and materials, cleaning out weapons material at research reactors in third countries, and strengthening institutions like the Nuclear Suppliers Group.

Finally, U.S. leaders should recognize that economic modernization is Russia's number one national priority that it is likely to remain so for some time, and that a successful relationship must help Russia achieve this goal. This is not a call for charity or foreign aid. Moscow has much to bring to the table as the world's largest producer of energy (oil and gas) and a reservoir of extraordinary scientific and technical talent. The expansion of economic cooperation with Russia can to be one of the most effective means available to build a "positive" constituency for the U.S.-Russian relationship in both Russia and the United States. Accordingly, President Bush should make Russia's removal from the largely symbolic constraints of the Jackson-Vanik Amendment a genuine priority. The administration should also exercise greater leadership in advancing bilateral trade with Russia and remain supportive of Russia's WTO accession process, though the burden is primarily on Moscow in meeting the appropriate criteria. Moreover, if Russia cooperates in stabilizing post-war Iraq, the U.S. should be "imaginative" in honoring Russian interests there.

ADVANCING AMERICAN INTERESTS AND THE U.S.-RUSSIAN RELATIONSHIP

The public reconciliation of Presidents Bush and Putin in St. Petersburg and at the G–8 Summit in Evian may have fostered the impression that all is well in the U.S.-Russian relationship. This is a dangerous impression. The U.S.-Russian dispute over the United Nations Security Council's role in Iraq exposed irritations in the U.S.-Russian relationship and even cracks in its foundation. These problems have yet to be addressed and further attention to the U.S.-Russian relationship is needed.

Of late, nonetheless, there have been some encouraging developments. Russia's collaboration in dealing with North Korea at the recent six-way meeting in Beijing, the firming up of its position toward Iran's nuclear ambitions, and signs of cooperation in post-war Iraq, especially after the bombing of the UN headquarters there, are all illustrative of the difference Moscow can make in the complex and dangerous world of the 21st century. President Bush has said that the destruction of the UN headquarters was a sign that we are in a war between civilization and those who would undermine it; Russia, with its special access in Iraq and in the region, can serve our common interests at a critical moment by joining the United States and the United Kingdom in a concerted effort to limit sharply the future of the most barbaric expressions of Islam. Russia can also assist the U.S. in other key areas.

But advancing American interests in a sustainable manner requires the construction of a U.S-Russian relationship substantially different from that of the Cold War or even the post-Cold War transition. The possibility of all-out nuclear war has receded as the principal threat to America's well-being. Dangers posed by the new Russia's weakness are slowly subsiding. On the contrary, the role of today's Russia in advancing, retarding, or even endangering American vital interests will be defined largely by the quality of Moscow's cooperation with the United States in combating the "dark side" of globalization: the nexus between terrorism, proliferation and other transnational threats to which September 11 was only an introduction.

Russian President Vladimir Putin's telephone call offering immediate and unconditional assistance to the United States that day had a defining impact on President George W. Bush's personal relationship with the Kremlin leader, sharply accelerating positive developments already underway in the bilateral relationship. Unprecedented cooperation in the destruction of Afghanistan's Taliban regime promised what President Bush called a qualitatively "new strategic partnership." This promise has yet to be realized.

Even before the September 11 attacks, the relationship was changing for the better. Key trends in Russia, its region and the world required a re-examination of the U.S.-Russian relationship and the definition of new American priorities in dealing with Moscow. These trends included:

- considerable political stabilization in Russia after President Vladimir Putin's election in March 2000 that reduced the dangers of disintegration, civil war or a communist/nationalist revanchist regime;
- growing understanding among Russians—intellectually if not emotionally—that their country was no longer a superpower, which made a Russian effort at global competition with the United States much less likely;
- general improvement (with some exceptions) of Russia's relations with its neighbors that made violent interstate conflicts less probable;
- gradual strengthening of the Russian state and of the state's control over the Russian military and Russian nuclear forces. This has reduced the risk of loss of state control over nuclear materials or unauthorized missile launches; and,
- a dramatic economic turnaround, driven largely by high oil prices, that has produced average economic growth of 5% per year over the past four years, large current account surpluses, sharp increases in currency reserves (to nearly $65 billion), repayment of loans from the International Monetary Fund and, as a result, an end to dependence on handouts from the United States or international financial institutions.

At the same time, U.S. leaders increasingly recognized the emerging, inter-related threats of terrorism and proliferation. Though policy makers and experts had devoted some attention to these issues earlier, the tragic events of September 11 rapidly crystallized American thinking about these threats and transformed the struggle to contain them into the principal aim of American foreign policy. Notwithstanding its diminished status and curtailed ambition, Russia has considerable influence in its neighborhood and a significant voice elsewhere as well. Moscow can contribute importantly to U.S. interests if it chooses to do so. Accordingly Russia can markedly decrease, or increase, the costs of exercising American leadership both directly (by assisting the United States, or not) and indirectly (by abetting those determined to resist, or not).

For this Commission's purposes it is American interests, not the U.S.-Russian relationship *per se*, that are paramount. The relationship should serve U.S. interests—not vice versa. This does not mean that Russian interests are unimportant. Russian cooperation on specific issues will reflect Russian judgment of how these actions affect its interests. Fortunately, Russia's national interests converge with our own interests much more than they diverge. The real interests Russia and America share—including Russia's successful integration into the West as a market-oriented

democracy—greatly outweigh the interests that divide us. But since short term interests and narrower political advantage can cloud perceptions, U.S. policy must have a more ambitious objective than simply demonstrating to Moscow how its cooperation with the U.S. advances Russian interests. Wise policy will also seek to create significant equities in Russian society and among leading political forces in cooperative action, which provides the context for managing unavoidable differences on other issues.

RUSSIA MATTERS

The proper starting point in thinking about American national interests and Russia—or any other country—is the candid question: why does Russia matter? How can Russia affect vital American interests and how much should the United States care about Russia? Where does it rank in the hierarchy of American national interests?

As the Report of the *Commission on American National Interests* (2000) concluded, Russia ranks among the few countries whose actions powerfully affect American vital interests. Why?

- First, Russia is a very large country linking several strategically important regions. By virtue of its size and location, Russia is a key player in Europe as well as the Middle East and Central, South and East Asia. Accordingly, Moscow can substantially contribute to, or detract from, U.S. efforts to deal with such urgent challenges as North Korea and Iran, as well as important longer term problems like Iraq and Afghanistan. In addition, Russia shares the world's longest land border with China, an emerging great power that can have a major impact on both U.S. and Russian interests. The bottom line is that notwithstanding its significant loss of power after the end of the Cold War, Moscow's geopolitical weight still exceeds that of London or Paris.
- Second, as a result of its Soviet legacy, Russia has relationships with and information about countries that remain comparatively inaccessible to the American government, in the Middle East, Central Asia and elsewhere. Russian intelligence and/or leverage in these areas could significantly aid the United States in its efforts to deal with current, emerging and still unforeseen strategic challenges, including in the war on terrorism.
- Third, today and for the foreseeable future Russia's nuclear arsenal will be capable of inflicting vast damage on the United States. Fortunately, the likelihood of such scenarios has declined dramatically since the Cold War. But today and as far as any eye can see the U.S. will have an enduring vital interest in these weapons not being used against America or our allies.
- Fourth, reliable Russian stewardship and control of the largest arsenal of nuclear warheads and stockpile of nuclear materials from which nuclear weapons could be made is essential in combating the threat of "loose nukes." The United States has a vital interest in effective Russian programs to prevent weapons being stolen by criminals, sold to terrorists and used to kill Americans.
- Fifth, Russian stockpiles, technologies and knowledge for creating biological and chemical weapons make cooperation with Moscow very important to U.S. efforts to prevent proliferation of these weapons. Working with Russia may similarly help to prevent states hostile to the United States from obtaining sophisticated conventional weapons systems, such as missiles and submarines.
- Sixth, as the world's largest producer and exporter of hydrocarbons (oil and gas), Russia offers America an opportunity to diversify and increase supplies of non-OPEC, non-Mid-Eastern energy.
- Seventh, as a veto-wielding permanent member of the United Nations Security Council, Russia can substantially ease, or complicate, American attempts to work through the UN and other international institutions to advance other vital and extremely important U.S. interests. In a world in which many are already concerned about the use of U.S. power, this can have a real impact on America's success at providing global leadership. More broadly, a close U.S.-Russian relationship can limit other states' behavior by effectively eliminating Moscow as a potential source of political support.

IRAQ AND U.S.-RUSSIAN RELATIONS

It is evident that differences over Iraq did not rupture the U.S.-Russian relationship. On the contrary, Presidents Bush and Putin had constructive conversations

during both their St. Petersburg meeting and the G–8 summit in Evian, France. In fact, Moscow's support of the United Nations Security Council resolution authorizing American-British governance of Iraq and signs of a harder line vis-a-vis Iran and North Korea suggest that cooperation on terrorism and proliferation may improve. Nevertheless, closer cooperation will be required to ensure that U.S. and Russian vital interests are not compromised due to a lack of cohesion in policy.

Notwithstanding these encouraging developments, the lingering resentment on both sides should not be underestimated. More important, many questions about the dispute—why it happened, what it says about America's ability to count on Russian cooperation in related efforts and how similar problems can be avoided or minimized in the future—remain unanswered. The fact that U.S. policy toward Iraq was perhaps the most significant American policy initiative of the last decade makes these questions central to the future of the U.S.-Russian relationship.

Why Russia Opposed the United States

Russia not only refused to support U.S. policy on Iraq but actively opposed it. While we believe that this was a strategic blunder for Moscow, it was also the product of missteps in American policy toward Russia. Understanding the reasons behind the Kremlin's decision—and the American conduct that contributed to it—is essential both to avoid similar problems in the future and to move forward in the U.S.-Russian relationship.

Conversations between Commission members and senior Russian officials, key parliamentarians, business magnates, opinion leaders and analysts suggest several explanations for Russia's eventual position in the Iraq dispute.

First, there were genuine differences between Russian and American interests and perspectives with respect to Saddam Hussein's regime. In contrast to the Taliban in Afghanistan—which Russia viewed as a threat well before the United States saw it as such—Hussein's government in Iraq was simply not seen as a clear and present danger to Russia. Russian officials had few illusions about the nature of Saddam's tyranny and were well aware of its noncompliance with United Nations resolutions, its use of chemical weapons against Iran and the Iraqi people and its financial support for the families of Palestinian suicide bombers. But Moscow's own experiences with Saddam Hussein were quite different from Washington's, and President Putin and his advisors were not persuaded by American public and private presentations about imminent threats from Iraq's weapons of mass destruction, or the necessity for war rather than a continued United Nations process. As a result, Russian officials repeatedly told their counterparts in Washington, including President Bush, that they did not see Iraq as an urgent danger that required immediate military action.

Second, Russia valued (and continues to value) its status as a permanent member of the United Nations Security Council and wants to preserve the UN's role in shaping the world order. Russia's claim to being a major power in the modern world depends on its size, its decreasingly relevant nuclear weapons and its role in the Security Council. All of this almost inherently leads to attempts to restrict America's ability to act unilaterally. Under the circumstances, Moscow's efforts to give United Nations weapons inspectors more time to work in Iraq were based less on faith in the inspectors' effectiveness than on a desire to maintain and enhance the role of the United Nations. Ironically, by overplaying their hands, Russia and France weakened the Security Council rather than strengthening it.

Third, Russian domestic politics played an important part in the Kremlin's calculations. Public opinion polls in Russia regularly demonstrated 80–90% opposition to military action against Saddam Hussein. Opposition was also notable among the foreign policy elite, where nostalgia for Russia's superpower role and a resentful sense of being unappreciated by the United States are particularly strong. This bitterness was visible every day in the Russian media's hostile coverage of the prelude to the war in Iraq and the war itself, which focused almost exclusively on American setbacks and civilian casualties and did so in a very negative tone. (Eventually, after it became apparent just how quickly and effortlessly the United States would destroy Hussein's regime, the Kremlin began to exercise its influence over the Russian media to discourage this kind of reporting.)

President Putin was especially sensitive to public opinion because of Russia's forthcoming parliamentary elections, scheduled for December, and its presidential elections, which are to take place in March 2004. Though few doubt that Mr. Putin will win re-election next year, he and his advisors were determined to avoid allowing the Communist Party to wrap its candidates in the banner of patriotism during the election campaign—and appear to have been concerned that the war in Iraq could have lasted into the fall. A December victory by the Communists could significantly undermine the Russian president's ability to advance his policy agenda and

might damage his chances of winning in the first round of balloting (by obtaining the support of a majority of voters) as well. If a second round of voting were necessary, or even appeared likely to be necessary, the Kremlin could be sorely tempted to guarantee its preferred result through reliance on "administrative resources"—that is, by putting the full power of the Russian state behind Mr. Putin's campaign. Though the outcome of such efforts would be certain, this course could seriously undermine the legitimacy of Mr. Putin's victory both at home and abroad.

Nevertheless, Moscow's position on Iraq was not objectively predetermined; in fact, the Kremlin initially considered tacit acceptance of U.S. plans for Iraq. Russian officials were aware that Boris Yeltsin's futile opposition to NATO's 1999 air campaign against Serbia resulted only in highlighting Moscow's weakness and the United Nations (where Russia could have had a key role) being sidelined by a powerful European mainstream appalled by conditions in Kosovo. To avoid such an outcome in the Iraq debate, the Putin Administration was for a time prepared to balance its misgivings about an American use of force against the risk of isolating itself from the U.S. in a way that would seriously damage improving relations with Washington without actually stopping the war.

The hardening of the Russian position into a decision to oppose the United States was, however, more than just a massive Russian miscalculation. It was also in part a result of three failures in American policy. The first of these was the failure to court Russia aggressively. U.S. officials appeared too optimistic about winning Russian acquiescence due to improving bilateral ties and what was seen as a close personal relationship between Presidents Bush and Putin. Consequently, the Bush Administration devoted insufficient effort to finding a formula to prevent active Russian opposition to U.S. policy. This occurred despite repeated signals from Moscow that such a formula could have been within reach if diplomatic creativity and extra attention were applied to the problem. American officials also seem to have spent notably less time meeting with and telephoning their Russian counterparts than French and German leaders. This facilitated an active Paris-Berlin program to seduce the Kremlin.

The combination of vigorous French and German opposition to U.S. military action and their aggressive efforts to win over Moscow fundamentally altered Russia's decision calculus in four ways. First, it provided essential political cover vis-á-vis the United States; after all, France and Germany were key American allies in NATO. Second, it sharply escalated the potential domestic political costs of appearing to support the U.S. (even through inaction) as the Kremlin could not afford to look more pro-American, and less courageous, than Paris or Berlin. Third, it created an opportunity for Moscow to "transcend" old Cold War divisions by working together with traditional American allies in an effort to persuade the U.S. either to abandon military action or to delay it sufficiently to give the war a UN/Russian stamp. Finally, Moscow took it as a sign that some governments were more interested in close relations with Russia—and might have more similar objectives—than America.

Russian officials appeared to comprehend the possible consequences of their actions for the U.S.-Russian relationship and signaled on a number of early occasions that while Moscow would not support the war, neither would they oppose it actively. This also changed, however, in the face of frequent telephone calls from President Chirac and Chancellor Schroeder to President Putin and analogous conversations between their subordinates. At the same time, the Kremlin did not seem to understand why the Bush Administration was so much more eager to accommodate British Prime Minister Tony Blair's preference for a clearly-worded new Security Council resolution at the expense of their own preference for no resolution or, if necessary, a vague resolution subject to various interpretations. Ultimately, Russia vigorously opposed a U.S.-led war and Russian rhetoric in the dispute differed little from that offered by France and Germany.

The second problem was the slow deepening of U.S.-Russian relationship, and thus the absence of equities that would have encouraged Moscow to accommodate American preferences. In fact, resentment of the "one-sided" U.S.-Russian relationship remains widespread among Russia's foreign policy establishment. Russia's foreign policy community was bitter at being forced to accommodate NATO enlargement, U.S. withdrawal from the Anti-Ballistic Missile Treaty and American military bases in formerly Soviet Central Asia. Despite its negligible impact on bilateral trade, the continued existence of the Jackson-Vanik Amendment (which both President Clinton and President Bush had promised to lobby the Congress to repeal) has grown to symbolize how little the administration is prepared to do for Russia in Russian eyes.

Of course, while the U.S.-Russian relationship has clearly not lived up to Russian expectations, Russian frustration with a "one-sided" relationship is simply not fair. The swift and (from a Russian perspective) almost cost-free destruction of Afghani-

stan's Taliban regime was a big plus for Moscow, which had long been troubled by its support for Islamic extremism and lacked the resources and tools to address the problem effectively. Relatedly, the Bush Administration accepted Russian claims of al Qaeda involvement in Chechnya and reversed Clinton Administration policies on Russia's intervention by demonstrating considerably greater understanding of the Russian predicament there, pressuring Georgia to tighten its border with Chechnya and drive Chechen militants from the Pankisi Gorge region, and taking steps to block outside financial support of Chechen rebel groups. And after Moscow's October 2002 hostage crisis, the Bush Administration stopped recommending Chechen President Aslan Maskhadov as an appropriate interlocutor for ending the conflict. Finally, without delving into the contentious history of the bilateral relationship during the Clinton-Yeltsin years, Washington did make a special effort to assist Russia during that period both directly and through its influence over the International Monetary Fund. The ultimate benefits of the loans from the IMF are still subject to debate—and their evaluation is colored substantially by negative Russian views of Yeltsin's legacy—but it does belie the notion that America has done nothing for Moscow.

Even on the issues where Russia has particular grievances, the Bush Administration has taken important steps to develop benefits for Moscow. For example, the administration pressed for more meaningful cooperation through the new NATO-Russia Council and has launched and supported an Energy Dialogue bringing together key American and Russian companies. Nevertheless, President Bush's personal cultivation of President Putin has sometimes been undermined by the imperious conduct of other administration officials, who have on occasion displayed what can only be described as an "in your face" attitude toward their Russian counterparts. There have been too many such instances for comfort.

The endurance of what Russian critics call "complexes"—attitudes of resentment and suspicion that are both holdovers from the Cold War and new products of Russia's huge decline in absolute and relative power—are one of the special challenges of the U.S.-Russian relationship. Russian complexes about the U.S.-Russian relationship can distort Moscow's perceptions of American actions in a variety of ways and must be understood if the United States is to work most effectively with Russia. However, the United States should not attempt to "solve" the problem of Russian complexes with concessions injurious to our interests. In addition to undermining U.S. objectives, this could ironically reinforce some Russian complexes by encouraging false impressions of Moscow's leverage. The failure to adequately manage these complexes has contributed to the differing U.S. and Russian views of the lopsidedness of the relationship by strengthening Russian mistrust of American intentions.

American policymaking toward Russia must also recognize that Russian leaders and elites share with other countries a genuine apprehension about the magnitude of American power relative to other actors. Russia is likewise concerned by America's lack of accountability to anyone other than its leaders and voters, and in the case of some important dimensions of "soft" power in economics and culture, not even to them. These apprehensions need to be heard, understood, where possible addressed by genuine efforts to draw international legitimacy to our actions, and where necessary met head-on by our best arguments as to why the gravity of our interests requires unilateral action. Ultimately, however, the U.S. must help Russians to understand that overcoming their complexes (and forgoing some of the complaints they produce) will be necessary to developing a productive relationship with America. Many in Russia's elite already acknowledge that it is unrealistic to expect symmetry in a relationship that is no longer symmetrical.

The third weakness of the Bush Administration's policy toward Russia has been a failure to define priorities or, more precisely, to pursue them in a disciplined and coherent manner. The Bush Administration has been more effective than the Clinton Administration in establishing and sticking to a hierarchy of U.S. interests vis-a-vis Moscow, but U.S. officials often still appear to be working at cross-purposes in their dealings with Russia.

The State Department's excessive promotion of GUUAM—a multilateral regional organization composed of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova and originally founded to oppose Russia—is one example of misplaced priorities. Even as the White House seeks strategic partnership with Moscow, the State Department has been discouraging disaffected members of GUUAM from leaving the group and is providing it with substantial financial assistance. It is one thing to support the aspirations of GUUAM governments to establish a regional organization; it is another matter entirely to pressure some of the governments to remain in a group that they do not appear to believe serves their interests. The latter action gratuitously irritates Russian officials and provokes Russians concerned about U.S.

intentions in the former Soviet Union while buying the United States very little in return. The origins of American interest in GUUAM were tightly linked to concern over pipeline routes through the region that has now largely been overtaken by events.

Similarly, despite efforts by Georgia's President Eduard Shevardnadze, the United States should not allow itself to be drawn into the Georgian-Russian debate over Abkhazia. Moscow's official position on the matter, stated recently by President Putin, stresses maintaining Georgia's territorial integrity and protecting the rights of the Abkhaz within it. The Abkhaz do not want to remain within Georgia, however, and the issue is complex and sensitive. Washington should state the obvious—that it favors a peaceful resolution to the dispute that reduces tension in the region—and should be careful in proceeding further unless circumstances change.

Understanding Russian priorities is also important. Oil contracts in Iraq and nuclear cooperation with Iran are clearly important to Moscow. But neither reaches the level of Russian concern about the former Soviet space—particularly in Ukraine, which is historically closest to Russia and has a large ethnic Russian minority, and in the unstable new states of the Caucasus and Central Asia. Though Russian sensitivities here are undoubtedly fueled in part by nostalgia, most of the region does border Russia directly. The United States should be prepared to do whatever it must there, regardless of Russian views, if it should become necessary to safeguard American vital interests. But the U.S. interest in the existence or demise of GUUAM as an institution hardly seems vital. Efforts to keep the group together against the apparent will of some of its members exact a cost in the U.S.-Russian relationship that could affect more substantial interests, in part by reinforcing the worst instincts of some of those in Russia's military and security services upon whom effective cooperation in part depends. Russian officials themselves have indicated that the irritation resulting from this and other U.S. actions on Russia's southern periphery limited their willingness to accommodate Washington on Iraq.

Moving Forward

Russian officials must understand that obstructionist conduct on matters that have been identified as key U.S. priorities is not cost-free. The collision over Iraq was not so severe as to become a roadblock to working with Russia in pursuit of American interests; yet, it should not be dismissed as insignificant or excused as accidental. Whether or not the formulation "punish France, ignore Germany, forgive Russia" was actually uttered by a U.S. official, it has been embraced by Russia's foreign policy establishment—and the Russian media—and has contributed to precisely this impression. The sense that good relations with Russia are of such overriding importance to Washington that the U.S. will repeatedly ignore active opposition to its policy in areas of great concern—especially when it coexists with a view that there is not much to gain from being responsive to Washington—will only encourage uncooperative behavior and will ultimately make partnership impossible.

In the specific dispute over Iraq, fence-mending is underway and the time for demonstrative action may have passed. Nevertheless, the Bush Administration would do well to convey repeatedly to Russian officials, at all levels, that United States has been making a special effort to develop closer relations with Russia, that Moscow's position on Iraq was not appreciated, and that similar action in the future could impose considerable costs politically, economically and even in public opinion. Russia's opposition over Iraq has definitely registered in Congress, without which many important initiatives cannot succeed. More generally, Moscow must not be allowed to have any illusions about the consequences of new instances of defiance.

One repetition of the Iraq experience would notably damage the U.S.-Russian relationship; two or three such cases could fundamentally alter its character. The administration should explain in this context that while the U.S. is prepared to be sensitive to Russian domestic politics as the bilateral relationship evolves, Russian leaders should also understand American domestic politics and its potential impact on ties to their country.

POLICY RECOMMENDATIONS

More generally, the disagreement between Washington and Moscow demonstrates the importance of reviewing the U.S.-Russian relationship and developing more reliable means to advance American interests within it and through it.

First, this requires a new look at the process of the relationship, especially the format and style of communications with Russia. As the disagreement over Iraq clearly illustrated, there is considerable room for improvement in communications between Washington and Moscow. And while effective communication is not in itself sufficient to build a closer and more durable U.S.-Russian relationship, it is certainly a necessary component of such an effort.

On substance, the U.S.-Russian relationship has quite simply failed thus far to address fully those vital U.S. interests in which Russia can make a real difference. The twin dangers of terrorism and proliferation remain as urgent as ever, but bilateral cooperation in fighting them had not reached its full potential even before the dispute over war in Iraq.

Similarly, U.S.-Russian economic cooperation has also been insufficient. The potential benefits of closer economic ties are of greater relative importance to Moscow than to Washington because of their proportional contribution to Russia's much smaller economy. Still, meaningful joint work could benefit the United States in specific areas. More extensive economic contacts would also help to stabilize the relationship, by giving Russia more of a stake in the relationship and expanding the still-limited constituencies for engagement in each country. Finally, precisely because Russia's domestic transformation has been one of its government's highest priorities, a demonstrable American contribution to that process could facilitate favorable Russian attention to U.S. security objectives.

Improved Communication

Improved communication with Russia's government, its political class, and its public is perhaps the most important procedural step that can be taken to improve U.S.-Russian ties and could help to prevent future flare-ups like that over Iraq. Needless to say, better communication is not a panacea: it can limit misunderstandings and minimize and compartmentalize differences, but it does not inherently resolve important disagreements. Still, better communication could improve not only government-to-government ties, but also society-to-society understanding. Ideally, improvements in these two areas would become mutually reinforcing.

Government-to-government communication between the United States and Russia is complicated by Russia's fragmented decision-making processes and the differences between government structures in the two countries. For example, although Russia has a Security Council chaired by President Putin, there is no American-style National Security Council system to structure decisions and ensure effective two-way communication between Russia's Presidential Administration and the rest of its executive branch both before and after decisions have been made. In contrast, many key decisions are made informally by the Russian president and his close advisors. As a result, there is often no substitute for direct communication with the Kremlin.

The United States should also think more strategically about official communications with Russia. Aside from a few specific cases directly involving key issues in bilateral relations—such as the Bush Administration's decision to withdraw from the Anti-Ballistic Missile Treaty—the U.S. has rarely engaged in advance consultation with Moscow on important policy initiatives. In fact, Russian officials complain that they hear about new policies after not only NATO allies are briefed, but also after they appear in the media. The administration's Proliferation Security Initiative, announced by President Bush in Krakow (on the way to seeing President Putin in St. Petersburg) in June 2003, has been cited as a particular example with the added complaint that Moscow was not invited to send a delegation to a Madrid gathering on counter-proliferation strategy held after Mr. Bush's speech.[1]

Broader societal contacts are no less complex or sensitive, in large part because they can lend unwelcome emphasis to the considerable asymmetries between the United States and Russia. The problem is that with the exception of a few Russian tycoons (particularly those in the energy sector), Russia's political and business elites tend to feel neglected and under-appreciated by the United States. For example, Russian parliamentarians in the State Duma and the Federation Council have tried in vain several times to arrange systematic exchange programs with their American counterparts. At the same time, interest in regular dialogue programs with Russian opinion leaders and specialists has declined significantly over the years due to a combination of Russia's reduced status and decreased foundation support for such efforts. This sense of under-appreciation is to an extent inevitable due to America's considerable power and it is not limited to Russia; nevertheless, it can be more effectively managed.

Thus, although there are logical and appropriate reasons for the asymmetry in American and Russian interest in one another, paying a little extra attention to Russia is a small price to pay to facilitate cooperation in view of Russia's crucial geopolitical role. Private dialogue programs are especially useful in a relationship like that between the United States and Russia, in which "complexes" and differing perceptions continue to complicate official contacts. They allow for broader, deeper and more frank exchanges than are possible between government officials and—

[1] The meeting included representatives from eleven countries, including several NATO members (among them France and Germany) as well as Japan and Australia.

with support from governments—can bring the insights generated into the policy process. Needless to say, such efforts must be structured carefully by their private sponsors to produce valuable interactions rather than empty diatribes.

Nevertheless, it is crucial to approach both public and private diplomacy with a sense of realism. There are genuine differences between the American and Russian perspectives and within those perspectives. Russia's new stability and its improving financial health after the August 1998 default have created a new dynamic in the U.S.-Russian relationship. Russians no longer seek economic, political and moral guidance from the outside world; they now expect to be treated with a certain respect—even when their country is a junior partner. Papering over bilateral (or internal) differences to produce watered-down consensus recommendations will not advance the U.S.-Russian relationship. No one should be under the illusion that better communication will magically resolve significant disputes—especially when the parties to the disagreement are an increasingly activist superpower unlikely to accept international limitations on matters of substantial importance and a nostalgic former superpower reluctant to accept status as a regional player at best. Skillful diplomacy can manage our differences, and allow us to work together despite them, but it cannot entirely eliminate the gap in perspectives.

In this spirit, the following steps could appreciably improve not only communication but cooperation between the United States and Russia:

- *Regular contacts focused on the presidential administration when key priorities are at stake.* The U.S. has to be careful going directly to the Kremlin staff—to avoid appearing to micromanage Russian decisions, alienating senior officials who sit atop routine communication channels, or seeming to favor particular individuals. But it must have the capacity do so when vital or extremely important U.S. interests are at issue, particularly if time is short. Style and process are important here as well as substance. Needless to say, the objective if to advance American goals rather than establishing "good" contacts for their own sake.
- *Improved working-level contacts between U.S. and Russian government agencies.* Senior officials in both countries have complained regularly that even minor issues often cannot be resolved without attention from the White House and/or Kremlin and some have suggested that the two countries' bureaucracies have lost confidence in one another. Various formats are appropriate for working-level contacts. The key is to establish more effective working relationships between officials across the broad spectrum of relevant agencies in each government. Taking into account the residual distrust existing in many agencies, a short-term exchange program that gave working-level officials a type of observer status in their counterpart agencies could help to jump-start the personal relationships essential for cooperation. Obviously decisions should be made carefully and creatively on a case-by-case basis to protect sensitive information and to avoid unnecessarily alienating other allies and partners.
- *Early consultation with Moscow.* While it may be appropriate to delay consultations with Russian officials in some cases or even skip them altogether, the way that many such discussions are conducted (or not conducted) often seems to be driven more by habit than by logic. The United States does not have the same formal relationship with Russia that it enjoys with NATO members, for example. But the Kremlin certainly has a greater ability to contribute to American counter-terrorism and counter-proliferation objectives than most NATO members. If Washington is serious about engaging Russia in those efforts, U.S. officials should work aggressively to bring Russia on board—and should not wait until all NATO members have been informed in order to do so. U.S. plans to move forces, bases and other facilities eastward within NATO and U.S. intentions in Central Asia would be appropriate topics for near-term discussion, perhaps in the former case in the NATO-Russia Council. However, U.S. officials should make clear in any advance consultations that Washington is attempting increased consultation on an experimental basis, that any information disclosed must be treated as confidential, and that early consultation could not continue if information obtained by Russia were leaked or otherwise used to political advantage.
- *Facilitation of private dialogue programs.* Asymmetry in the U.S.-Russian relationship has made it difficult for private Russian groups—including parliamentarians and business leaders—to have access to senior American officials. However, because of the unusual importance of top-level access in Russia (where staff or mid-level officials are often not involved in decision-making on major issues), Russian groups attach particular importance to this kind of ac-

cess. Under the circumstances, presidential leadership—exercised in the form of encouragement and attention, rather than direction—is essential to ensuring that such programs are successful. We have been assured that if offered by Washington, such leadership will be gladly reciprocated in Moscow. Still, excessive government involvement in either country could also undermine the utility of private groups. Non-governmental dialogue programs must be truly independent and—while understanding the political realities of the relationship—isolated from political processes. Otherwise, they may become a focus of internal competition rather than bilateral dialogue.

- *Efforts to streamline visa procedures for Russians seeking to visit the United States.* Increased security measures are necessary and appropriate after September 11, but they have worsened already serious problems. The current system limits communication and alienates Russians frustrated by long delays and what seem to be unduly frequent visa denials. This has affected not only ordinary Russians attempting to visit relatives or seek medical treatment, but also government officials, parliamentarians and academics. The U.S. should devote additional resources and creativity to improving visa processing for Russian travelers.

War on Terrorism

President Bush has correctly identified terrorism and the nexus of terrorism and weapons of mass destruction as the most serious security threat the U.S. faces today. His administration's "Strategy to Combat Weapons of Mass Destruction" warns that, "*we will not permit* the world's most dangerous regimes and terrorists to threaten us with the world's most destructive weapons" (emphasis added). Fulfilling this commitment has become the organizing principle for America's foreign policy. Addressing this threat requires not simply a strong coalition of the willing, but a structure in which Russia plays a leading cooperative role in fighting the War on Terrorism and proliferation.

In declaring a "War on Terrorism" the Bush Administration underscored a major shift in the post Cold War international order. The United Nations declared war on terrorists with global reach. Nations of the civilized world undertook affirmative obligations to share intelligence, cooperate in law enforcement, and cut terrorist finances. U.S. military action toppled the Taliban in Afghanistan and initiated a worldwide war to destroy al Qaeda. The United States announced a new "doctrine of preemption" according to which it will not just respond to attacks or wait for certain threats to mature, but will act in advance of such developments to prevent unacceptable emerging threats. (Though Iraq was of course a case of unfinished business rather than preemption.)

September 11, 2001 and the subsequent War on Terrorism also became a defining feature of the Bush-Putin relationship, providing the foundation for initiatives to build what President Bush called a qualitatively "new strategic relationship." Thanks to the Cold War hotline, President Putin was the first foreign leader to speak with the U.S. president following the terrorist attacks, a gesture Bush has not forgotten. Over the objection of his closest military and defense advisors, and the Russian political elite, Mr. Putin decided to provide full support to the United States. This was announced just two weeks after the September 11 attacks and included Russian offers to share intelligence, to open Russian airspace for humanitarian missions, to encourage Central Asian states to open their airspace, to participate in international search and rescue efforts, and to increase direct military assistance to the Northern Alliance (with which Moscow had a long relationship).

While perplexing to the Russian political elite, President Putin's assistance was in clear harmony with Russia's own security agenda. Not since the war against Hitler's Germany had U.S. and Russian interests been so closely aligned. In large part due to the involvement of international Islamic extremists in the war in Chechnya, Russia had long viewed Islamist terrorism as its most immediate security threat. The Putin government's formal "National Security Concept," "Military Doctrine," and "Foreign Policy Concept" demonstrate this. Russia had tried to persuade the U.S. to focus attention on this threat during the Clinton Administration and even suggested the exploration of joint military actions. As Putin noted in an interview in September 2001, "I did negotiate with the previous U.S. administration, telling its officials about the problem being posed by Osama bin Laden. I was surprised by the U.S. administration's reaction. The U.S. side kept gesturing helplessly and saying that it could do nothing about the Taliban."

As senior Bush Administration officials have stated, Russian cooperation in arming and supplying the Northern Alliance and sharing intelligence contributed seriously to the rapid victory of American forces over the Taliban. And though not widely acknowledged in Russian political circles, the U.S. success in Afghanistan made

an important contribution to Russian security interests. Unlike the Clinton Administration, the Bush Administration has been willing to acknowledge forthrightly that al Qaeda fighters and funds have played a role in fueling the second Chechen war, has taken the significant step in placing three Chechen groups on its list of "established global terrorists," and supports efforts for inclusion of these groups on the United Nations sanctions committee's list of terrorist organizations.

Differing American and Russian views of terrorism have been one of the principal problems in developing a joint counter-terrorism strategy. While U.S. officials are primarily concerned with international terrorism, Russian leaders are more troubled by separatist terrorism that could destabilize neighboring governments—or even regions within Russia—and threaten their country's territorial integrity. Nevertheless, links between al Qaeda and Chechen rebel groups, and statements by some Chechen leaders that encourage attacks on Americans, do show that we face some of the same enemies (though for different reasons).

And, in fact, the U.S. and Russia have recognized the value of their cooperation and have taken steps to further advance it. For example, the U.S.-Russia Working Group on Afghanistan headed by Deputy Secretary of State Richard Armitage and Deputy Foreign Minister Vyacheslav Trubnikov has been upgraded to become the U.S.-Russian Working Group on Counterterrorism. The NATO-Russia Council, established in May 2002, is also an instrument for deepening cooperation against terror. The August arrest (with Russian help) of individuals seeking to smuggle a Russian-made shoulder-fired surface-to-air missile into the United States demonstrates the practical value of anti-terrorism cooperation. Building on these successes, there is still more that can be done. Initiatives to that end include:

- *Appropriate changes in regulations or structures that unduly limit intelligence sharing.* The difference between genuine and *pro forma* intelligence sharing can be the difference between successful and unsuccessful attacks against Americans. While it is very important to be mindful of both sides' concerns for their sources and methods, streamlined procedures could facilitate meaningful cooperation. Some unfortunate experiences in the past, particularly on the U.S. side, have curtailed interest in such efforts; however, as cooperation in Afghanistan showed, U.S.-Russian intelligence sharing can be one of the relationship's most valuable assets.
- *A joint U.S.-Russian threat assessment of terrorism and the formulation of a shared strategy to combat it.* This should include joint training and exercises as well as joint planning of specific actions, particularly against al Qaeda and other allied terrorist groups in Central Asia and the Caucasus including in Georgia's Pankisi Gorge and in Uzbekistan. This agreement should seek to broaden the anti-terrorist mandate to bolster efforts to counter Islamic extremism. Russia remains genuinely concerned about its own Muslim population and the spread of radical Islam along its southern border.
- *Efforts to address practical terrorism concerns.* A U.S. commitment to greater assistance in combating terrorism in Chechnya, including intelligence-sharing, additional measures to block terrorist funding, and a stepped-up American effort to encourage Georgia's cooperation in return for serious Russian assistance in cutting off terrorist groups active in the Middle East, including real pressure on Iran to end its support for Hamas, Hizbollah and Islamic Jihad. Although these two issues are not directly related, they represent serious terrorism problems for the United States and Russia and could be informally linked. The administration may face some criticism for assisting Russia with Chechnya, but the possibility of reducing terrorism in the Middle East and influencing Iran's support for terrorism could justify appropriate cooperation—especially if senior U.S. officials also emphasize publicly and privately to the Kremlin that Russian brutality in Chechnya not only affects American attitudes towards the U.S.-Russian relationship, but is believed by many to be operationally counterproductive.
- *Creation and implementation of joint plans, together with other regional states, to secure Central Asian borders.* This should be a component of a broader cooperative effort to combat the dramatic growth in drug trafficking since the American destruction of the Taliban regime, which had kept opium production in check. Widespread drug trafficking in Central Asia undermines international efforts to stabilize Afghanistan and American efforts to prevent the reconstitution of the Taliban and the denial of Afghanistan as a potential base for terrorist groups. Drugs also threaten Russian security and well-being as well as providing revenue to terrorist organizations and contributing to a lawless environment in which such organizations thrive. Of course, any such effort must be undertaken with due sensitivity to Central Asian governments.

- *Clarification and indeed adjustment of U.S. interests, intentions, and activities in post-Soviet space*. U.S. conduct in this area has an impact on Russia's understanding of its role as a regional power. American policymakers have consistently underestimated the degree to which their presence and activities in countries near Russia's border influence Russian views of U.S. power, credibility and objectives. Support for the independence and integrity of these states is important, but Washington must avoid contributing to the impression that its purpose is to encircle Russia or limit its ability to exercise legitimate influence for appropriate purposes. The U.S. should explain more fully how military operations in Central Asia are suppressing terrorist threats in ways that benefit Russia as well as the world, and communicate more persuasively its previous statements that it is not seeking a permanent military presence that could threaten Russia.

Non-proliferation and Mega-terrorism

September 11 not only demonstrated the magnitude of the global terrorist threat. It also offered a glimpse of the danger of mega-terrorism. An international order in which the United States could suffer a nuclear 9/11—indeed a series of nuclear 9/11s—would threaten the endurance of the U.S. as a free nation with our fundamental institutions and values intact.

Success in preventing the spread of weapons of mass destruction will require deeper and broader cooperation between Russia and the U.S. At their most recent meeting, Presidents Bush and Putin reaffirmed their determination to "intensify efforts to confront the global threats of terrorism, and the proliferation of weapons of mass destruction and their means of delivery." U.S.-Russian joint statements have also promised to "seek broad international support for a strategy of proactive non-proliferation, including by implementing and bolstering the Treaty on the Non-Proliferation of Nuclear Weapons and the conventions on the prohibition of chemical and biological weapons."

Many nations have followed the U.S.-Russian lead around this organizing principle. This is evidenced in particular in the announcement at the G–8 Summit in 2002 of a Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, which was reaffirmed in Evian in 2003. Similarly, the NATO-Russia Council's agenda includes both non-proliferation and counter-terrorism as key objectives.

The U.S. and Russia should take the lead in creating an Alliance Against Nuclear Terrorism that addresses: (1) nuclear aspirants, specifically North Korea and Iran; (2) "loose nukes" (theft of weapons or materials from which weapons could be made and their transfer to terrorists); and (3) the non-proliferation regime (by which most nations have declared unilaterally that they will not acquire nuclear weapons). The mission of this new Alliance should be to minimize the risks of nuclear terrorism by taking every sensible action that is physically and technically possible to prevent nuclear weapons (or materials from which weapons can be made) from being stolen and sold to terrorists.

In dealing with states seeking nuclear weapons, such as North Korea and Iran, the Alliance must craft policy in specific terms for each case. However, there are several essential elements that must be considered:

- *A joint proliferation threat assessment, enhanced by improvements in intelligence sharing similar to those described as appropriate in U.S.-Russian discussions of terrorism.*
- *Efforts to solicit Russian support in preventing the emergence of new nuclear-armed states, particularly in view of Moscow's new involvement in six-party talks on North Korea.* This should include intensified efforts at diplomacy and the understanding that if diplomacy fails, other means may become necessary. Washington should make clear that a cooperative Russian approach could actually increase Moscow's role by encouraging the U.S. to involve Russia more closely in finding solutions.
- *A coordinated strategy to implement this consensus including the full panoply of instruments, from diplomacy to sanctions to blockades and ultimately, military action.*
- *A clear statement that if non-proliferation measures are successful and if North Korea and Iran comply, regime change will not be pursued.* This will be essential to engaging not only Russia, but also other key countries, as it both creates an incentive for cooperation (avoiding unilateral U.S. efforts at regime change) and establishes an achievable goal (non-proliferation rather than complex and costly social transformation).

- *Involvement of other relevant international parties.* Support for the emerging "no new nukes" doctrine is evident in the 2003 G–8 Summit Declaration on the Non-Proliferation of Weapons of Mass Destruction, which states, "We strongly urge North Korea to visibly, verifiably and irreversibly dismantle any nuclear weapons programs, a fundamental step to facilitate a comprehensive and peaceful solution," and "We will not ignore the proliferation implications of Iran's advanced nuclear program."

Despite broad U.S.-Russian agreement that a nuclear-armed North Korea is very undesirable, Washington and Moscow have yet to harmonize their approaches to the problem. Although the Bush Administration is confident that Pyongyang may have a small number of nuclear warheads, Russian officials continue to express some skepticism that North Korea has a sufficient technological base to produce an explosive device and dismiss North Korean claims to the contrary. Better intelligence sharing and a commitment to forgo regime change if North Korea disarms—coupled with clear communication that the alternative could be military action—could move Moscow closer to the U.S. position.

Concerning Iran, the International Atomic Energy Agency's reprimand of Iran will challenge Russia's seriousness about continuing peaceful nuclear cooperation with Iran. In addition to refusing to provide the fuel for the power station it is constructing at Bushehr without a firm commitment to return the fuel to Russia (the Putin government's current position), Moscow should freeze all nuclear cooperation with Iran if Tehran does not sign the Additional Protocol to the NPT.

More broadly, however, Bushehr is a secondary concern to Iran's overall nuclear programs. Iranian attempts to develop the capability to enrich uranium also weaken Russia's long-term incentives for continuing to work with Iran. The U.S. might find it more successful to shift some of the focus from Bushehr to those other efforts while working cooperatively with Russia to develop its spent fuel market. The development of alternative economic incentives for the Russian Ministry of Atomic Energy, such as possible joint ventures with relevant American organizations, could provide a powerful incentive to discourage further nuclear cooperation with Iran, including the construction of additional reactors at Bushehr or elsewhere.

Evident progress on these fronts has been made in recent meetings, including at the summit level. Despite Russian frustration at having been surprised by the announcement, the Proliferation Security Initiative is likely to strengthen joint efforts to prevent the transport of destructive technologies. G–8 leaders have demonstrated their commitment to concrete support as well, including by declaring "a range of tools available to tackle this threat: international treaty regimes; inspection mechanisms such as those of the IAEA and Organization for the Prohibition of Chemical Weapons; initiatives to eliminate WMD stocks such as the G–8 Global Partnership; national and internationally-coordinated export controls; international co-operation and diplomatic efforts; and if necessary other measures in accordance with international law."

Concrete actions continue to provide proof that U.S.-Russian cooperation for containing "loose nukes" enhances U.S. security against nuclear terrorism. Possibilities to strengthen this layer of security through a U.S.-Russian-led Alliance Against Nuclear Terrorism include:

- *Articulation of a bright line prohibiting production of "nascent nukes"—highly enriched uranium or plutonium from which nuclear weapons can be made—beyond which joint covert action and ultimately military action would be threatened.* North Korea could be the defining example by enlisting Russia and then China.
- *Reengineering Cooperative Threat Reduction (Nunn-Lugar) and the G–8 10–10–10 Global Partnership to establish a new "International Security Standard" that will be met transparently by both the U.S. and Russia as a model that all states with nuclear weapons or materials would be required to satisfy in a certifiable fashion.* This Standard will ensure that all weapons and materials must be secured to a level that is adequate for U.S. and Russian security interests.
- *Global cleanout of weapons material left in other countries at research reactors by assertion of American or Russian ownership rights over fuel, and fast-track extraction of these potential nuclear weapons from Ukraine, Uzbekistan, Ghana, Libya and other countries.*

The most important contribution that the U.S. and Russia could make to strengthen their own security through the support of the non-proliferation regime will be to prevent the emergence of new nuclear states, starting with North Korea. Joint U.S.-Russian actions to address nuclear aspirant states and loose nukes pro-

vide ongoing reinforcement to the non-proliferation regime at multiple levels. Additional initiatives to further bolster the non-proliferation regime include:

- *Invigoration of the NATO-Russia Council by focusing on counter-terrorism including WMD proliferation.*
- *Negotiating a Fissile Material Cut-Off Treaty; Strengthening the Nuclear Suppliers Group and Zangger Committee.*

The United States could also accelerate efforts to cooperate with Moscow in developing missile defense. Such cooperation could have useful benefits beyond its narrow security applications, for example, in bringing Russia's defense complex into the U.S.-Russian relationship in a productive way and in creating alternatives for Russian defense enterprises seeking to market their products to customers viewed as troubling by Washington.

Economic Cooperation

Political stability aside, economic development is Russia's number one national priority and is likely to remain so for some time. If U.S. leaders want to develop a close, productive and sustainable relationship with Russia, that relationship must address not only American but also Russian priorities. Taking into account that there are considerable opportunities for mutual benefit, expanded economic cooperation offers an excellent avenue to be responsive to Russian interests at little or no cost—and very likely some gain.

In fact, the more successful Washington is in promoting U.S.-Russian commercial ties, the more attractive the overall relationship will be for Moscow. This has implications not only for the Kremlin's willingness to accommodate the United States in other areas, but also its domestic political calculations of the costs and benefits of doing so. Therefore the United States has not only an economic but also a strategic interest in improved economic cooperation with Russia.

Prospects for such cooperation with Russia are often downplayed on the basis that Russia's economy is comparable in size to that of the Netherlands. While this comparison may be accurate on the basis of existing statistics, it misses several important points. First, current statistics on the Russian economy substantially and systematically underestimate its size. There are several reasons for this; one of the most notable is that Russian companies still conceal much of their production to avoid paying taxes.

Second, Russia's economy is enjoying a period of rapid growth. Much recent growth can be attributed to high oil prices. But a top IMF official has declared President Putin's goal of doubling Russia's gross domestic product in the decade ahead "wholly achievable" if Russia makes necessary structural reforms.

Third, Russia's economy includes several key sectors—such as energy and potentially aerospace—that guarantee the country a seat at the table as a global player. Russia is very unlikely to unseat Saudi Arabia as the "swing producer" of oil in international markets, but its production decisions have a major impact that OPEC does not ignore. And, while new infrastructure would be necessary, Russia could provide a noticeable share of American oil and gas imports. At the same time, broader economic development could reduce Russian reliance on transactions that concern the U.S, like arms exports and technology sales.

Fourth, expanding economic cooperation with Russia is likely to be one of the most effective means available to build a "positive" constituency for the U.S.-Russian relationship in each country. In the United States in particular, the principal constituencies interested in Russian affairs—the non-proliferation community on one hand and ethnic lobbies and human rights groups on the other—tend to be "negative," in that they are generally dissatisfied with Russian behavior and work to encourage U.S. pressure on Moscow in their respective areas of interest. The main supporter of good relations with Moscow during the Cold War, the peace lobby, has disappeared. A "positive" constituency of businesses working with Russia would help to balance American domestic inputs in the policy process and stabilize the U.S.-Russian relationship. Needless to say, a "positive" Russian constituency favoring closer ties to America would likewise benefit the U.S.

During much of the last ten years, Russia's economy has been a mixed bag, beset by contradictory trends. BP's $6.15 billion investment in the Russian oil company TNK seemed to demonstrate both a new Western willingness to invest in Russia and a new Russian willingness to cede management control to Western firms. Yet, not long afterward, Russian law enforcement agencies seem to be applying heavy pressure to Yukos, Russia's largest oil producer, for predominantly political reasons. Needless to say, this has raised serious concerns among many American (and other foreign) investors.

Moscow also has a long road ahead in modernizing Russia's economy. The Kremlin has made good progress in some areas, such as the new tax code and land code, but has yet to address the politically thorny restructuring of Russia's housing and utilities sectors. And the legal system still leaves much to be desired in its limited protections for minority investors and unreliable dispute resolution mechanisms.

Nevertheless, promoting U.S.-Russian economic cooperation should be an important U.S. priority. The following measures could be helpful:

- *If American officials want Moscow to take U.S. commitments seriously, President Bush should make Russia's removal from the constraints of the Jackson-Vanik Amendment a genuine priority and the Bush Administration must press the Congress hard finally to graduate Russia from Jackson-Vanik.* Russian officials state that it does not have a discernable impact on trade, but it does have a negative impact on political relations and on the climate of bilateral economic discussions. More broadly, both the Clinton and the Bush Administrations repeatedly promised action on the measure and neither has delivered. In fact, the U.S. has continued to attempt to use Jackson-Vanik as leverage in other discussions with Russia. What has already been promised should not be linked to other issues.
- *The President, the Secretary of Commerce and other senior officials should exercise greater leadership in advancing bilateral trade with Russia, including through high-level trade delegations.*
- *The U.S. should continue to remain supportive of Russia's WTO accession process, though the burden is primarily on Moscow in meeting the appropriate criteria.* At the same time, the Bush Administration should press the Russian government and take necessary steps in the United States to establish greater fairness and reciprocity in market access for both countries.
- *Provided that Russia cooperates in Iraq's reconstruction, the U.S. should encourage the emerging Iraqi government to take a favorable look at oil contracts with Russia that are consistent with international law and make sense for Iraq.*

ENGAGING RUSSIA TODAY

Many of the proposals in this report will not be easy to implement, particularly as Russia and the United States approach their national elections and domestic issues take center stage in each country. But international terrorists and would-be proliferators are unlikely to adjust their schedules to accommodate American or Russian politicians. Planning for a nuclear 9/11 could already be underway—and Russian cooperation could be decisive in uncovering and stopping such a plot. Building a strong relationship with Russia to fight terrorism and proliferation must be a top priority of American foreign policy.

Mr. BEREUTER. Thank you very much, President Simes and thanks to both of you for your testimony. I have wanted to hang a banner across the back of the room, a question right over there saying: What is our national interest? So it is up there all the time for us to examine.

I would like to begin the 5-minute question period. We should have enough time to have Members have several rounds if necessary, because most Members are just returning for our first votes of the week this evening at 6:30.

Looking at the state of democracy in Russia today, I will ask this general question to the two of you: To what extent could President Putin move to a more authoritarian regime and are there countervailing forces in particular, that is the main essence of the question, to protect against that possible trend, are they significant, are there countervailing forces?

Mr. MCFAUL. It is clear to me that Mr. Putin rhetorically supports democracy as ideal. I actually believe that. I just do not think he knows what democracy is and I do not blame him, if you think about his education, history and background.

At the same time that he supports it rhetorically, he is also threatened by those that in any way have a control on his power and those countervailing forces that you mentioned I think are just quite simply across the board much weaker today than they were just 3 years ago.

It does not mean they do not exist and let me say who they are. They are opposition parties, liberal democratic parties, Yabloko Union of Right forces. I think it is even time to say that the Communist party of the Russian Federation is playing a positive role in the democratic process in Russia today. It is an amazing thing that I would say, but I will say it for the record. I think it is true.

There are human rights activists and NGO's and different aspects of civil society that exist in part because of American assistance. Some of them, by the way, will be at a ceremony tomorrow here on Capitol Hill, people that survived the Gulag and I urge you to go hear from them directly, not just me reporting on them, but they are still there. They are veterans of the Soviet system. They know what repression is like and they are not going away any time soon.

Finally I want to make very clear that it is not dictatorship that Putin wants. In fact, folks that I know that work for him call it something else. They call it managed democracy.

They want votes. They want opposition parties, but they just want to take the content out of them and that is why it makes it very hard to have a frank discussion about what is going on there, because the veneer looks like democracy. It is not Belarus yet. It is not Saudi Arabia. It is a different kind of system, much more sophisticated.

That is why I wanted to emphasize the trend line as being in the wrong direction.

Mr. BEREUTER. President Simes, do you want to comment on that? Go ahead, please.

Mr. SIMES. I completely agree with Michael that what Putin is trying to create is a managed democracy and it is a very peculiar kind of democracy, at least by American standards.

Several months ago in Moscow I was listening to my car radio. The announcer talked about a major democratic politician who thought about running for the presidency. The commentator explained that this politician just had a meeting with Putin, who allegedly told the politician, yes, it was okay for him to run against Putin in the year 2004.

I found the report peculiar. I met this political leader several days later and I asked him whether there was any truth to the report and he said absolutely. I said: Why did you need Putin's permission to run against him? He said: Well of course our party would still be registered, and I would be allowed to run, but I would get no TV time, we would have no support in the provinces and we would get no funding because if people thought that Putin was against my running against him, then who would give us money?

This is managed democracy in Putin's Russia. Having said that, I agree with something Mr. Putin said. Namely, that there was no real democracy under Yeltsin. What happened under Yeltsin is

they created capitalism and a small group of oligarchs very close to Yeltsin's personal family and to his political family.

They redivided the huge Soviet state among themselves and they tried to privatize not only companies but Russian policy.

Putin began trying to constrain these oligarchs and trying to take some power away from them. I agree with Mike McFaul that his action against the oligarchs was, to put it mildly, selective. Those who did not challenge the Putin government, and particularly those who supported him, were left alone. Others were attacked.

But you also have to appreciate, ladies and gentlemen of the Committee, Putin's predicament on this issue. Russia does not have a developed civil society. The Russian court system is notoriously corrupt. Most Russian bureaucrats are on the take. If you allow the tycoons to have unlimited power, Russian democracy is also finished.

So if you are talking about countervailing forces, may I suggest the following: We need this kind of balancing act, this kind of tension between the Russian state and Russian oligarchs. I do not particularly admire the security people in the Putin government who are moving against the oligarchs and I do not particularly admire the oligarchs who scream that Russian democracy is being threatened every time they are being questioned, sometimes about perfectly serious offenses.

Having said that, this is the only balancing act we have in Russia and as long as these people do not finish each other off, I think we have some hope for Russian democracy.

Mr. BEREUTER. Thank you. Later I will have a follow-up question on that.

Mr. Wexler?

Mr. WEXLER. Thank you. I want to again compliment Chairman Bereuter for calling this hearing and most especially for the choice of the two witnesses that you invited to come here. I found it extremely illuminating and both of you quite persuasive.

I was hoping to ask your analysis and observations with respect to two areas to start. One, as I understand it at the end of this month, October, Iran's nuclear weapons program will be at a crossroads in terms of the response of the International Agency, I would like to ask your observations in terms of Russia's involvement with that program.

What are Russia's motives and what are the boundaries they are acting within? What are their cross purposes, if there are some? Give us your analysis in terms of how Russia will react if and when the Agency exposes Iran's nuclear program to be what some have argued it is.

Then, an entirely different area I was hoping you might share with us, and if there is no time I understand, what your suggestions would be for American policy in Central Asia. It would seem to me in Central Asia, there is a unique set of circumstances where American and Russian engagement could prosper and I would ask if you might offer some suggestions as to what we might do to encourage that cooperation in that region in particular?

Mr. SIMES. I think that Iran is one of the most sensitive, if not the most sensitive and important areas in the United States-Rus-

sian relationship. My impression is that the Russian position has evolved and has become closer to the United States position, but it remains grossly insufficient.

What the Russians are saying now, at least privately, is that Iran seems to be in violation of the nonproliferation treaty. We heard in meetings with the Atomic Energy Ministry 2 months ago in Moscow that Iran is seeking nuclear weapons. In the past, they were denying it.

What they are saying now is that perhaps Iran is seeking to build nuclear weapons, but that what Russia is doing at Bushehr does not contribute to the Iranian program. They are also saying that the other facilities outside Bushehr have nothing to do with the Iranian-Russian cooperation. So they have to be completely isolated and treated as matters that have nothing to do with Russia.

They also are saying that they would not continue cooperation with the Iranians if Iran does not return all of the used fuel, something Iran actually promised to do at first, though now there is some uncertainty.

Russia is not going far enough in saying that it would stop nuclear cooperation with Iran if Iran fails to sign the additional protocol. I think this is one area where Russia should be pressured, where Russia should be impressed that this is really a matter of American vital interests.

You know I also think that with the appearance of these new facilities that we did not know about, there is less promise in cooperation with Iran for Russia in the long run. If the Iranians will be able to produce their own fuel, they will have less need for fuel from Russia. So it is not as lucrative a deal for Russia as it looked originally and, accordingly, they may be more easily persuaded than we thought only several months ago.

On the question of Central Asia, Mr. Wexler, I would actually move in the opposite direction. This is an area of very important Russian interests, but the United States does not have interests of the same magnitude. I think that Russia has accepted an American presence, including a U.S. military presence in this area, and that we should be entitled to maintain such presence whether Moscow likes it or not.

Unfortunately, some people in the State Department seem to be freelancing, at least it doesn't seem to be the policy of the President of the United States, by encouraging some Central Asian states, particularly Uzbekistan, to create what in my view are artificial difficulties in their relationship with Russia.

For example, they are pressuring Uzbekistan to stay in Guam and this is of course an international organization which was created originally to respond to Russian pressures. But these pressures today are much reduced or nowhere to be seen, and this is perceived in Russia as a United States attempt to create trouble on Russia's periphery.

Unless the people in the State Department who pursue this policy can explain what they are up to and why it is in the United States interest, I would suggest more pressure on Russia about Iran and more sensitivity to Russian concerns in Central Asia. It could be a good tradeoff.

Mr. MCFAUL. If I may, first on Iran and then Central Asia. You know it is interesting listening. I just finished a book on American policy toward Russia in the 1990s called *Power and Purpose* and we used Dr. Simes in fact our book. We cite him regularly as one, the most consistent person in discussing this in the decade of the 1990s. This is true.

Some of your own colleagues up here by the way have been rather wishy-washy about what they think about Russia. Nobody here today so I can say that.

The reason why Dimitri is so consistent is he is kind of a classic realist. That is the way we teach it at Sanford, where he talks about national interests between states.

If the United States were able to conduct its foreign policy in that way, I think it would be great. I would disagree with that, but I think it would be a lot better. We would be a lot better off than the kind of policy we have now, which is a mix. So one day we talk about democracy and human rights and we say this is what we are really concerned about and then the next day we do not talk about it. We send an inconsistent message to Central Asia, Russia and Iran.

One day we say it is in our interests to deal with Iran on these nuclear issues and the next day we talk about regime change in Iran. I think this creates an incredible problem.

Let me tell you very specifically why Iran to me shows the shortsightedness of the policy we have now. The Bush Administration has made a decision that they do not want to focus on democracy in Russia, that we have strategic interests with countries like Russia that trump these other things and therefore they are taking a deal.

We are not going to talk about that, but we are going to gain cooperation with the Russians where it really matters in places like Iran and my answer back to them is: What are you getting out of this my friends? This problem has been here for a long time. It did not begin with September 11. It got most acute after September 11.

We have now discovered new facilities and the Russia policy is basically the policy that it was in 1994 and I was appalled at what came out of Camp David in terms of a Russian commitment on Iran. It would have been easy to say: We are going to suspend our work in Iran until we have that confirmation. Right? For instance as a gesture of our strategic relationship with Russia. We did not get anything for that.

I could go through a long list of things that makes me wonder what exactly are we getting out of calling Mr. Putin our friend in terms of our strategic interests? That leads me to Central Asia.

Central Asia, Dr. Simes has said, we have no strategic interests. That is right, if you think in terms of balance of power terms. These are peripheral places that cannot threaten us. You know what? We would have said that 3 years ago about Afghanistan.

We had no strategic interest in Afghanistan and what happens in places that are dictatorships, that are holding onto power, only of dictatorial power, in my mind especially in weak states in that region of the world are the ones most susceptible to a Taliban takeover. They are the most susceptible to creating anarchy, which one day can come back to haunt us and I think to have a shortsighted

approach that all we care about is their cooperation on the war in terrorism is shortsighted.

Let me just say one last thing on this. You can tell this is a topic near and dear to my heart. We have to be able to walk and chew gum at the same time. We have to be able to have policies of strategic interests and not leave our principles at home because we have to work on this.

I think we did it well under Mr. Reagan, for instance. We had to deal with the Soviets on arms control, but he would never have gone to a summit with a Russian leader and not mention anything about what is happening in Chechnya. He would have never quoted a vision for Mr. Putin, if I may quote the President where he said,

> "I respect Mr. Putin's vision for Russia, a country in which democracy and freedom and rule of law thrive."

I have never heard Mr. Putin say that. I have never had his spin doctors tell me that that is his vision and yet our President of the United States is ascribing that to the Russia leader.

Mr. Reagan would never have done that. He would have dealt about strategic issues and then also had a policy about democracy and human rights. If the Administration is not willing to do it, I challenge my colleagues here in Congress to take up that banner for the United States, but engagement between the United States and Russia is just not engagement between the President and the President. Its engagement between Russians and Americans, between Congress folks and Congress folks, between NGO's and NGO's, businesses and businesses. We cannot just let it be this state-to-state thing.

Mr. SIMES. May I respond to this, Mr. Chairman? I knew President Reagan. When he was preparing for his first meeting with Gorbachev in Geneva, I was asked to be a stand-in for Mr. Gorbachev. I know how Mr. Reagan was preparing himself for that encounter.

It is absolutely correct that President Reagan was a man of principle and conviction, but he also wanted to understand Gorbachev, to be sensitive to him. He wanted to get results. He was not just interested in letting Gorbachev know how he felt. He wanted to get what he wanted and what the United States needed from Gorbachev.

It is in this spirit that I consider myself a realist. There is no contradiction being a realist and being high minded about Central Asia. I of course would not suggest for a second that the United States should yield Central Asia to Russia or, for that matter, to anybody else.

What I was talking about were areas which Russia considers important to Russian interests where millions of ethnic Russians continue to live.

If the leaders of these countries do not mind a Russian presence and if they on their own, for reasons of their own, want to build ties to Russia, I do not see why it would be against United States interests. In particular, I do not see how if we really want Putin to accommodate us in Iran, to accommodate us in Iraq, to accommodate us in other areas where we really need him, we can at the

same time allow an impression in Russia that we are trying to kind of establish a new containment.

That is not about favoring Russia or being insensitive to human rights. It is about promoting dialogue with Russia in the name of American interests, principles and ultimately security.

Mr. BEREUTER. Thank you, gentlemen. Let us start a second round. You are helping to prepare us for the challenge that you gave us, Dr. McFaul.

Some observers have concluded that the United States, in exchange for Russian counter-terrorism partnership, has lowered its attention to Russia's internal policies. Are we really receiving that much assistance from the Russians on counter-terrorism and is that cooperation that much more important than what is taking place inside Russia, with respect to democracy and an open society? In other words, is the cost benefit tradeoff worth it?

Mr. MCFAUL. Of course there are lots of things that I hope are happening between our governments that I do not know about and that we will see the rewards and fruits of that some time down the road, secret information I have no access to.

But I do not like the Faustian-bargain. I think it is a shortsighted approach, first of all because I do not think we are getting much and this summit I was told by my friends in the Administration: Well yes, Mike, these are problems, but we are going to get some real progress on what really matters to us and you are going to see the fruits of this courting of Mr. Putin.

Where is the beef? I want to see the list of deliverables. It was the shortest list of deliverables I have ever seen in a summit ever. Maybe it is coming. Maybe there is a secret deal on around that I do not know about, but so far I have not seen it.

Secondly, I want to emphasize that a lot of the problems we have in the world today are because of anti-democratic regimes. It does not mean that we have to manage them in the short-term, but let me just give you another for instance.

If Iran were a democracy today and if we had a strategy for assistance to help democracy in Iran, we would not have to worry about nuclear weapons there, right? Iraq was a problem. Iraq is not a problem now, in terms of threatening us.

So this notion that somehow regime change and ideas about regime change are divorced from our national interest I think is a very shortsighted approach, because ideas do matter.

Let me just give you a really concrete example. Yes, Mr. Reagan went to get things, but he also in May 1988 in a very famous luncheon sat down with dissidents, rag-tag, scraggly dissidents and had lunch with them. Some people looked at that and said, this is a waste of time. He has more important issues to deal with Mr. Gorbachev after all, right? State leaders meeting to talk about this.

Guess what? Some of those scraggly dissidents later helped bring down the Soviet Union just a few years later and now some of those scraggly dissidents are going to be in your building tomorrow night at four o'clock. They are still fighting that fight and I am sure that Ronald Reagan would have made an appearance with members of the people who spent time in Curb 35 in the Gulag to come to the U.S. Congress, somebody from the Reagan Administration I know I worked with folks from the Reagan Administration

at the Hoover Institution, they would be there. I wonder if anybody from the Administration will be there standing next to them.

Same with Central Asia. Yes, we have to deal with these dictators in Central Asia about strategic interest, but we should not say that they are the only voices that we think are important in terms of our relationship with those places. After all, yes, if the people of Kyrgyzstan or the people of Uzbekistan voted in leaders that said we want closer relations with Russia, I think that is great. But if dictators say it, then I question that.

Again, these are long-term policies, over the long-term, one has to be focused on, but to underestimate what the spread of democracy has done for U.S. national interests I think leads to shortsighted strategy.

In the 20th Century, no country in the world has benefitted more from democratic regime change, in terms of our own national interest, than the United States and therefore, after September 11 to say well now we have bigger, more important things, maybe in the short-term we do, but in the long-term we have to be committed to that larger agenda.

Mr. SIMES. Mr. Chairman, if we believe in democracy we should also have decent respect for the right of others to make their decisions, up to a point. There are things which you can never forgive and can never forget and should stop them if you can.

But that is not what we are talking about in the case of Russia today. We are talking about President Putin, who does not rule in a way I would particularly approve, but has a popularity level of 70 percent.

Mr. BEREUTER. I was going to ask you about that. For example, does that mean that the Russian people are satisfied with that type of democracy or do they not know what to expect of a democracy?

Mr. SIMES. I think that the Russians had a bad experience with democracy in the 1990s. Democracy was discredited in their eyes. They still want to be free, but they do not know, as Michael said, what it means. I think that they want to find their own way to build democracy the second time around.

But the most important point I want to make, Mr. Chairman, is that I do not think there is any disagreement between Michael and me that democracy in Russia and elsewhere is preferable. The question is: Are we talking about slogans? Are we talking about editorial commentary on the part of U.S. officials? Or are we talking about policies that are supposed to bring results?

If you look at the Russian public opinion polls' question: Do you like American political system? The answer is that more than 60 percent admire the American political system. Question: Do you approve the United States telling Russia what to do internally? The answer is 80 percent no.

If you look at what is happening in Russia today in terms of the Russian political cycle, they are not building a dictatorship, at least not yet. They are not becoming a democratic nation, at least not yet, but they are trying to build their own identity. They focus on their own right to make decisions affecting their destiny.

We should be entitled to express our opinion about their decisions and we should be entitled to tell them honestly that certain decisions may have implications for United States-Russian rela-

tions. But if we constantly come to them and tell them, you should do this, you should not do that, that may make us feel good, but I am not sure that it would contribute to building democracy in Russia and it may undermine other priorities in relationship with Moscow.

Mr. BEREUTER. Thank you, gentlemen.

I would like to turn to Mr. Wexler for questions he has at this point.

Mr. WEXLER. Thank you. Following what appears to be the theme of the day, which is, figure out what President Reagan would do and repeat it. I hope my district will forgive me for even uttering those words. But it would seem to me that if you had the opportunity to meet with President Reagan today and he were President and he were preparing for a meeting with President Putin, what the analysis should include would be a question or questions regarding what is it that the West has done or more importantly can it do to bolster Putin's argument, if in fact he is making one, that moving to the West is in Russia's interest. What specifics could he cite in a debate with hard liners that feel otherwise?

The facts on the ground, if we looked at it objectively for the past 2 years, would basically say that for all this good relationship between Bush and Putin, what Putin bought was American bases in Central Asia, possible NATO expansion into areas closer to Russia, Russian removal of bases from Vietnam and from Cuba and essentially an American abandonment of the ABM treaty.

If I were President Reagan and you were advising me, I think we would say, while President Putin may not be exactly what we Americans would design for a Russian leader, in terms of human rights and other issues, what has he gotten from us that he can claim victory and equally important, what can he get from us in the short-term that gives him an ability to make an argument that Russia is better off with us and adhering to some of our or trying to move in a direction that is consistent with some of our criticism?

Mr. SIMES. I think that you are asking an excellent question, a very important one, because if you want to have partnership with someone it should be in their interest as well as yours. Obviously the United States is a super power and Russia is not. Obviously there is no symmetry in the United States-Russian relationship for that reason and, to Putin's credit, he is beginning to accept that they are not America's equal.

They are prepared, in my view, to settle for a junior partnership, but a junior partnership is still a partnership and it means that they should get something in return. In the spirit of full disclosure, I was in favor of NATO expansion, because I felt that it was morally right and that it was after all what the cold war was all about, to let these nations make their own decisions. And clearly they wanted to join NATO. We were not trying to persuade them to do something against their free will.

I also thought that it would help to stabilize Europe because it would give Central Europeans greater certainty about their security, and Russians also. It showed where America stood and that they were protected. I thought that it would enhance Russian dialogue with these newly independent nations. But finally, I

thought—and let me be blunt—I thought that we could get away with it.

I felt that NATO expansion was not a matter of vital Russian interest. And I remember my conversations with Russian officials, including those who were my best friends. I would see them at the foreign ministry and they would go through the motions denouncing NATO expansion, then I would see them over dinner and they would never mention it.

You have to identify, in my view, real Russian priorities. Not declaratory priorities, but real priorities. I have mentioned one: The Russian periphery, particularly their relations with Muslim states where they believe that they may be subjected to terrorism.

Second is their political system. This is not to approve of their political system. We should simply acknowledge that for Mr. Putin and the people around him that this is their political system and that if they get an impression that you are trying to undermine their rule, it may have implications for our relationship.

I also think that they have gotten something very important from the United States. They already want more, but they removed the Taliban without sacrificing a single Russian life and without spending much additional Russian money.

Mr. Putin is a proud man, but he also is a man who came from nowhere. I think he appreciates standing next to the President of the United States being treated like a cold war leader.

I did not have an opportunity to look into President Bush's soul or to reach any conclusion about why he said what he said about President Putin. In my view, Putin is a complicated character with an unusual background for a democratic leader. I think he is a very calculating statesman and I think that there is an element of one-sidedness to their love affair.

Having said that, I like to believe, Mr. Wexler, that when President Bush was saying what he said, he knew that he would be helping Putin by praising him, and by creating an impression that Putin was an important democratic leader. That symbolic praise for Putin I think was translated into specific Russian policies, including in the fight against terrorism, which are in the American interest. If that is what President Bush intended, then it worked well.

Mr. MCFAUL. Thank you for your excellent, but difficult question to answer. I would say two things, one very abstract thing and one very practical. At the most abstract level, whether or not Putin is committed to liberal democracy and the way I think about it and liberal I mean European sense, not American sense, he has stated very categorically that he is for capitalism and that he wants Russia to be part of Europe and integrated into the Western community of states.

I think if I were advising Mr. Reagan or Mr. Bush in the next meeting with the Russian President that I would just point out the simple fact that the richest countries in the world are also democratic. That the correlation within the post-Communist world between democratic reform and economic reform is a very robust correlation.

That is, these things are not separate. There is a debate going on in Russia about this right now. There is a school of thought, some of them work for the President and the Kremlin, that says

our model needs to be China or Singapore, not Poland. There is a nuance part of that that says, we need to have state capitalism, whereby the state controls some of the important assets.

The debate about Yukos at one level is about certain things and politics, but at another level it is about should the biggest oil company or one of the biggest oil companies in Russia be fully private or should the state have a stake of it, like they have in Gasprom in Rosnieft? That is a big debate.

I think the empirical evidence, this is what I teach at Stanford, is overwhelming that state-led capitalism does not perform as well as capitalism without the state running things and that democracy actually broadly defined is very enhancing for economic growth.

Everybody talks about, what about China? It is especially true when you are talking about post-industrial societies that these things go hand-in-hand. China started from a very different place, where dictatorship may have been useful for starting that, not unlike Stalin in the Soviet Union by the way, but in post-industrial societies, you cannot dictate the way the market is going to work. I think that has been shown very clear in the post-Communist world.

By the way, for every China there is an Angola. That is, this notion that if you just create dictatorships you are going to push toward the market. Well especially in oil dependent states, like Russia, dictatorship can lead to corruption and not economic growth. I would take that message to him first and foremost.

Secondly, I think you are quite right to point out it is difficult to see what they have gotten out of this strategic relationship. I think most abstractly I agree with Dr. Simes. We are doing some of their dirty work for them and they benefit as much as anybody from our victory in Afghanistan.

I do think it is worth trying to think of more creative ways to deliver some things to them and still keep the focus on democracy and one of them is right before you. That is the Jackson-Vanik amendment.

To me, I have written about this it is in my forthcoming book, this is one of the most successful pieces of legislation on foreign policy I think in American history. I really do think it deserves that and by the way, it was passed precisely at a time in our relationship when President Nixon was dealing in strategic ways with the Soviet Union and was not focused on these kinds of things. Congress took their own initiative to keep democracy and human rights and immigration issues alive and well. That legislation, I think, served a tremendously important purpose, both for our country and for the Soviet Union.

Right now though, it serves as this symbolism of the Soviet area. I do not say this just before you. I say this to my Russian colleagues and to my friends in the Kremlin, the very same things I am saying here and they say, this is just a bunch of Soviet era. You are just worried about containing the big bear and then Soviet studies is getting in the way, the Soviet era.

In fact, President Putin when he was speaking at Columbia made exactly this remark, that you who study the Soviet Union have to get beyond and that we are a different place. I think he

is right about that and therefore, I think Russia should be graduated from Jackson-Vanik.

That would send a very tangible signal that we are not going to use this legislation from 1974 and tie it to chicken exports, but when you do that and you graduate from them, then you do other things. I call it the Jackson-Vanik foundation that you set up to promote human and religious rights in Russia at the same time.

That would be something you could do. Very tangible. It has been one of these sticky issues for a long time. That would send a signal that no, we are not talking about the Soviet Union, but yes, we are committed to promoting democracy and religious freedom within Russia.

Mr. BEREUTER. Thank you, gentlemen. Much has been made lately of the fact that a significant number and an increasing number of former military personnel and Putin's colleagues from the KGB or its current counterpart are filling positions in the Russian government.

To what extent is this a worrisome trend? I will ask that first question. I think you can answer that each of you rather briefly, if you wish.

Then I want to talk about something Dimitri Trenin said. He wrote that,

> "Many diplomats and bureaucrats inside the Kremlin still think it is self-defeating for Russia to build good relations with the United States Many believe,"

he says,

> "that relations have only improved at the Presidential level and not yet at the diplomatic level, where the cold war heritage still exists."

Is this the case inside the Kremlin?

And relatedly I would ask a third question. It relates to the Yeltsin era where some people at the time and certainly many retrospectively said we personified Yeltsin as our relationship with Russia and we depended too heavily on our perception of him and the leadership and his relationship with our own President.

Is that happening today to any substantial extent? Is that worrisome with respect to Putin? Is there anybody behind Putin that will continue the democratic trends that at least have existed and hopefully still exist?

Mr. SIMES. Mr. Chairman, I was one of the commentators who were quite critical of the tendency to focus on Yeltsin far too much at the expense of U.S. substantive priorities.

I am not concerned about the way this Administration treats Putin, because in my view it is not done at the expense of U.S. priorities. It is done in order to promote U.S. priorities. I am hard pressed to find anything specific that the Administration has sacrificed in order to please Mr. Putin. If praising Mr. Putin and being buddy-buddy with Mr. Putin helps us to accomplish our objectives, I think it is constructive.

Your first question was regarding all these military and security people in senior positions in the Russian government. It is a problem. Clearly there was a first wave of Russian politicians after the

collapse of the Soviet Union and there were early democrats. Many of them were former academics like Michael and myself. They had a lot of ideas, but many of them became corrupted quite quickly and they were not terribly effective.

Then came the oligarchs. They had a lot of ideas and were very effective in grabbing pieces of Soviet estate, but they did not enhance the credibility of democracy in Russia.

Now there is a backlash and there are a lot of security people being brought to key positions by Putin and I think that up to a point one can live with that, but the question is: What is going to happen after Mr. Putin?

To Putin's credit, so far he is telling all his associates that he is not planning to run for re-election after 2008, that he will not try to change the Russian constitution. This is one reason a lot of people in Moscow believe Mr. Khodorskovsky is being attacked and his company Yukos is being attacked. Khodorskovsky is financially supportive of the Kremlin faction, opposed to these former military and security people.

This is the battle between the two parts of the Putin constituency. People connected to the oligarchs, some of whom are genuine reformers. Some on the other side are simply corrupt military and security people who want to have a stronger Russian state, but are not opposed to democracy; others I have to say are very, very dangerous in my view. This is something we have to watch very carefully, because it may have serious implications for U.S. interests.

Mr. BEREUTER. President Simes, is there anybody behind Mr. Putin that should give us some satisfaction and that the trend toward democracy will continue?

Mr. SIMES. I think that what should give us encouragement is that Mr. Putin's managed democracy still allows free print media, at least in Moscow. In the provinces the governor and local elites may quiet the press, but the central print media in Moscow are free.

Russian TV is manipulated by the government, but I was interviewed many times by Russian TV on Iraq and on Iran and I fully supported the United States position. I was never censored. Nobody tried to prevent me from saying what I wanted to say. And I have been invited back. Actually, I was just approached by one of the major Russian TV channels and they asked for regular American input on one of their leading analytical programs.

To repeat, Mr. Chairman, for me it is less about personalities. And it is even less about Mr. Putin. For me it is about the process. It is about checks and balances. We should not want the oligarchs to win. We should not want the security people to win. We should want to have a process in which these people balance each other out, because it creates space for the rest of the civil society, which is still in the embryonic stage. I am cautiously optimistic.

Mr. BEREUTER. I think that is well said.

Dr. McFaul, would you tackle any of those three questions?

Mr. MCFAUL. Yes and difficult questions. First on the KGB, the trend is obvious. The numbers are amazing. Higher numbers by the way than even during the Soviet era, in terms of KGB or former KGB people in top political positions.

Let me say as a caveat, I know some of these people. I have worked with some of them. Igo Sechin, the notorious Igo Sechin in the Kremlin I used to work with in the early 1990s in St. Petersburg. I think we should be careful not to categorize everybody as the same, because they at one time worked for this particular organization.

In my own experience I have also been almost chased out of the country several times by these same people. I think it is a real mixed bag.

With that caveat in mind though, I have to say I am incredibly nervous about this trend. I just finished reviewing for the *New York Times* and Applebaum's book called *The Goulag*, I highly recommend it to you and when you read that book and you remember what is the history, what is the legacy of this organization and then you think about these people are now in power and they have not abrogated. They do not denounce what happened in the other days in that organization.

I am highly troubled by that and there has been no de baathification or de natzification in this country. I find that very troubling and secondly I find it troubling to respond to your third question about what these people do. These are the people that are shutting down democracy.

Yes, it is all well and good. Yes, there is printed media, but 90 percent of Russian citizens get their political information from television. That is in my other book coming out next month. It is funded by you, by the way. Thank you very much. The National Science Foundation funded our surveys for that book.

We are about to do another round by the way I can tell you. That is actually quite difficult to do surveys in Russia today, either because people are afraid taking American money to do surveys or because one of our partners was just shut down. He has revived himself. You know this story with Mr. Lavata. He has now opened up again, but he is under very difficult circumstances. I am not sure whether that organization is going to survive.

These people are doing real damage all the time and I think even if we cannot stop it we should at least call a spade a spade. I mean we should at least say this is not democracy. This is not what we had in mind and when it comes to the elections, people want to monitor the elections and now they are being told that is against the new electoral law, by the way monitors, some of which are supported by money that you provide to that country.

Yes, I want Russia to choose the way they go, but I want Russians to choose the way they go, not just the KGB and Mr. Putin.

You had two others questions, self-defeating in the diplomatic service. Absolutely. I would say this is a bigger problem in Russia than it is for our State Department. Quite frankly I think the representation that the Russian government has in our country and in this city is just appalling.

There are lots of good things going on in Russia. We are not focusing on them today, but there are lots of good things going on that never get heard of and how one changes the Russian foreign ministry I do not know, but to answer your question: Yes, I think it is a problem.

Then third, yes, I actually do think it is a problem to over personalize the relationship at the top. It is a theme of this book I have been talking about. We did it all the time and we have done it I think even worse this time.

Now, do not get me wrong. You have to deal with the leader of the country. It would be absurd to say: Mr. Bush, you only have to go and deal with dissidents in Russia. You cannot meet with the President. That is absurd, of course. We have business to do.

But you cannot let Mr. Putin's view of what is going on internally be the only lens by which you look at what is going on in Russia today and I think is a mistake the Clinton folks made and I see it happening again in this Administration.

Mr. BEREUTER. Thank you, gentlemen.

Mr. Wexler?

Mr. WEXLER. Thank you. In preparing for this hearing, I had read the Nixon Center's report, you gentlemen are probably very familiar with it. One of the aspects of the report, and it was not by any means the primary purpose of it, that I thought was very interesting in terms of our ability to learn from recent past events and translate into a better American policy, was this notion that while in fairness to the Bush Administration, with respect to Iraq and our military policy there, there was probably little or nothing he could do to persuade Germany, France or the other European countries that did not share our view, but that with respect to Russia, while Russia maintained a very different perspective regarding the threat posed by Suddam Hussein, that possibly Russia's objection to our policy or failure to support our policy was not inevitable.

I would be curious if you would offer your observations in that regard, not just in terms of an analysis of what America did or did not do with respect to Russia, but what lessons it may provide for how we may engage with Russia in the future.

Mr. SIMES. Thank you very much for your question, Mr. Wexler. Of course, this report is a report of the Commission on America's National Interests and Russia. The Nixon Center was one of two co-sponsors. The other was the Kennedy School at Harvard. Kennedy and Nixon would like this combination.

Mr. WEXLER. Right.

Mr. SIMES. To respond to your question, in preparation of this report, members of the Commission met on many occasions with senior Russian officials and experts. The Honorary Chairman of the Nixon Center, Henry Kissinger, met twice with President Putin. We met several times with a number of senior Russian officials so we could see evolution of their arguments.

I completely agree with the premise of your question, that the Russian position on Iraq was not inevitable. Now of course when I am saying that, I also have to take into account that the Russians were telling the Administration originally that while they had serious disagreements with the Administration on Iraq, they would not try to sabotage American policy. Of course, this was before the Germans and particularly the French really established a leadership position in opposing United States policy on Iraq.

I do not think the Russians themselves have expected that they would be offered a possibility of supporting somebody on that, rather than being the leader. At a certain point, Putin had to make a

choice whether he would be, if you wish, less in favor of cutting the United States down to size than NATO members, like France and Germany. Politically, it clearly proved difficult for him to resist this temptation to join France and Germany.

Let me make two points, however, about that. First, if you talk to Russian officials, they would admit that while they had disagreements with the United States on Iraq, they could have swallowed their pride and still supported the United States or at least abstained if there was more substance to the United States-Russian relationship in their view.

That does not mean that they would have agreed with the American position, but they would have treated the United States as a senior strategic partner and would not have challenged us. So the fact that not enough was going their way from their standpoint in the relationship played the role.

Second, I think that the Russians have learned one very important lesson from this whole situation: That you cannot isolate the United States. When I was in Moscow last week, with Dr. Kissinger, we met with senior Russian officials, and they were saying that this time around they would not want to support Germany and France against the United States. They said they would be very careful not to create an impression that they are creating an anti-American coalition.

Now they are doing this for self-serving reasons, because they thought that the United States would not be able to move against Iraq alone or they thought that if the United States did move alone it would be a very protracted war. They are drawing practical conclusions from their miscalculations, but whatever their reasons. I think it is good for our partnership for the Russians to understand that challenging the United States is not a very good idea.

One thing I would recommend to the Administration is while being magnanimous to Russia and not giving them too many lectures, to tell them the truth, that too many situations like our disagreement of Iraq would make strategic partnership very difficult and perhaps impossible.

Mr. MCFAUL. Just very briefly, I agree with Dimitri Simes in large measure. I think there were probably moments and windows of opportunity. In particular, there were some plans, trips as I remember, Condoleeza Rice was going to go to Moscow and it let us just be honest, their in-box was full. They had a lot of things going on and this I think just kind of slipped out of their reach and perhaps a little bit more time——

Mr. WEXLER. Whose in-box was full? The Russian——

Mr. MCFAUL. No, the Bush Administration. I am sorry. In the lead up to the war, they were focused on other things and perhaps with more engagement with Russia they would have been okay. I do not think the consequences, however, of that have been very negative. Here I agree with Mr. Simes, where they were not willing to support us, but they are much quicker to leave this behind and to get on with other things. I will leave it at that.

Mr. BEREUTER. Thank you. I have two specific questions, unrelated. The Russians have a peacekeeping mandate under the OSCE in the Transdniestria region of Moldova. The Netherlands now has the leadership of the OSCE and they made a recommendation that

it be a joint EU/Russian peacekeeping force. I wonder if you have any reaction to that?

Secondly, there are reports continually coming out, including very credible sources like our colleague Senator Lugar, that the Russians still have this huge Soviet stock of biological weapons, very diverse, against humans, against crops, against animals and that in all probability it is not carefully secured.

Would either of you like to give a reaction to your own thoughts as to that possibility that those allegations, it is one of the things that concerns me most in the world I must say?

Mr. MCFAUL. With regard to your first question, I am not an expert on this. I think it is a good idea, if it would be EU/Russia. I think this is a way where we can do tangible things that serve. This is not the United States obviously, but Western powers and Russia. I think Russia has now 11 peacekeeping operations and some are better than others, but to engage them on practical things that they can do I think is a good thing, not a bad thing.

With regard to your second question, Senator Lugar knows more about this than I do, but I have read what he has said and I have read what other experts have said. This to me is very disturbing. Again, it is one of those leftover things from the Soviet era. This is an area of the state in this regime that is not reformed. It is just a legacy from before. If we could change it, it is in our national interest to change it.

I would just encourage you A, to keep funding levels out for Senator Lugar as they are, but B I think especially on biological weapons in the past the Russians were not forthright with us on what they had and you know some kind of accounting, maybe even a joint Duma Congressional commission that would account for it and just say, let us get the record straight. Let us have hearings on this, both in the United States and Russia and if there is no problem here, then we should be able to expose that through hearings and through a Congressional oversight. I think that would be a really good idea.

Mr. SIMES. About the Transdniestria, Mr. Chairman, this is a theater of the absurd. The ethnic Russian Transdniestria government of Mr. Smirnov is a corrupt criminal regime and everybody knows now that it is a corrupt criminal enterprise, no more, no less.

The people who run Moldova are former Communists who are more friendly to Mr. Putin than the Smirnov's so-called Russian government. The Russians do not know what to do with this situation. It is politically sensitive. They do realize the Transdniestria is not going to be a part of Russia, but they are not quite prepared to leave a mess.

I think the more we can help them with a face-saving formula, the happier everybody is going to be. We have to be careful about that, because there are a lot of different weapons, including allegedly, I emphasize allegedly, chemical weapons in Transdniestria. We do not want to create a security vacuum, but I think this is one area we should work with them and they should be prepared to leave, because they have forgotten really nothing there, except these chemical weapons if they are there.

Now about biological weapons——

Mr. BEREUTER. What about the Dutch proposal? Do you have any reaction to that?

Mr. SIMES. I think it is a good proposal, I mean in terms of at least trying to explore this possibility.

Now about biological weapons, I completely agree with Senator Lugar. I am less apocalyptic than many other students of Russian affairs about Russian control of nuclear weapons. The Russian security professionals and military people I have talked to say that these weapons are being guarded by special forces and there is much better control and that would be American participation was valuable in making this control happen.

Biological weapons and chemical weapons are often guarded by regular interior ministry troops. They are notoriously corrupt. I would not trust them for a second and I think this should be an important priority in our dialogue with Putin. Obviously, we should consider additional funding, but I am always offended by the notion that they have all these oligarchs, all this incredible wealth, you have all this hundreds of thousands of new Russians going all over Europe, spending millions of dollars and somehow they cannot find a way to do what any serious state should be prepared to do. We should tell Mr. Putin that we do believe that this is not only a matter of security, but it is a matter of image of his regime and of his seriousness to put these weapons under credible control. I completely agree that we should have access to them and we should have a better opportunity to observe and to know what is going on. That is one reason in our report we propose a closer cooperation between Russian and the American intelligence services.

There was an old Soviet anecdote, Mr. Chairman, from the Brezhnev era. A worker was asked how he feels under the Soviet rule and he would say, they pretend to pay us and we pretend to work.

I talked to a very senior official in the Russian security service and I asked him about United States-Russian intelligence cooperation. He said: Americans pretend to share information with us and we pretend to act upon it. We should put an end to this nonsense.

Mr. BEREUTER. I may be wrong, but I think that the Russian government has never admitted to a substantial inventory of biological weapons, either during the Soviet era or currently existing today.

Mr. SIMES. They never acknowledged that formally, but their argument is not that they do not have these weapons, but believe it or not, Mr. Chairman, that they do not have full inventory. I think that we should insist on them developing this inventory and doing it with our participation and with our being able to observe the things in the ground, because needless to say that does affect vital American interests.

Mr. BEREUTER. The inventory of chemical weapons is greatly disclosed, but the volume of it is just incredible and the difficulty and expense of destroying it, converting it, neutralizing it so dramatically expensive. Yes?

Mr. MCFAUL. Just one quick comment on this though, because it gets back to our bigger discussion earlier. I agree this is a very serious issue and we should have it as a top priority, but I do not want to turn it over to the American intelligence services and the

Russian intelligence services to solve it, because in our country we have some kind of accountability for what our intelligence services do.

It breaks down and you are all discussing that and talking about that now, but there is a reason why it is news today because A, somebody found out about it, we had a free press to talk about it and you know the press there in turn then people hear up on Capitol Hill have hearings and get to the bottom of it and keep our President and the Administration accountable. You know how the system works.

It does not work that way in Russia and that is what I am talking about. This is not just some mamby-pamby issue that needs to be No. 87 in terms of our concerns. No. A transparent, democratic Russia would help us solve this very problem that you are talking about.

Intelligence services that are accountable to the executive, an executive that is accountable to Congress and a press that helps to expose things that go wrong. Without those components, then yes, we have no idea and they throw their hands up. We do not know and nobody is going to throw them out of business because they do not know. They just go on, because they are not accountable in a democratic society.

Mr. BEREUTER. Mr. Wexler?

Mr. WEXLER. Mr. Chairman, I just want to say again that I have learned a great deal from these two gentlemen and it has been a real treat to listen to them. I have learned far more than I am accustomed to learning in any period of time.

Mr. BEREUTER. Thank you, Mr. Wexler. I agree with your conclusions. It is nice to have enough time to really engage our witnesses and we are the beneficiary of that opportunity.

Gentlemen, thank you very much for spending the time with us today, for your work in preparing your papers. We appreciate it and look forward to future contact with you.

The Subcommittee is adjourned.

[Whereupon, at 5:16 p.m., the Subcommittee was adjourned.]